

# Annual Review 2017-18

—

Create a better today

# Contents

- ABOUT SUNCORP 1
- HIGHLIGHTS 2
- MESSAGE FROM OUR CHAIRMAN 5
- MESSAGE FROM OUR CEO & MANAGING DIRECTOR 7
- PURPOSE AND STRATEGY 9
- BUSINESS AND PERFORMANCE 11
- GOVERNANCE AND CULTURE 15
- CORPORATE RESPONSIBILITY 19
- PERFORMANCE SUMMARY 39
- AWARDS 42
- FINANCIAL CALENDAR AND KEY DIVIDEND DATES 42



Find the Annual Report suite online at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

### About this Review

Our Annual Review details Suncorp's vision, strategy and business performance for the past year. It further outlines our progress and future commitments to building a resilient and sustainable organisation that values both shareholder and stakeholder outcomes.

We publish our Annual Review as part of our Annual Report suite of documents. This Review covers the period from 1 July 2017 to 30 June 2018. Where appropriate, we have also referenced events that have occurred after the financial reporting period, but before the publication of this report.

We have refreshed our assessment of material environmental, social and governance topics, which have shaped this Review and our commitments to future corporate responsibility activity.

The material in the Annual Review references Global Reporting Initiative (GRI) Standards GRI 101: Foundation, 2016; GRI 102: General Disclosures, 2016; and GRI 103: Management Approach, 2016. For a full list of disclosures referenced in this Review, please refer to the GRI Content Index available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

# About Suncorp

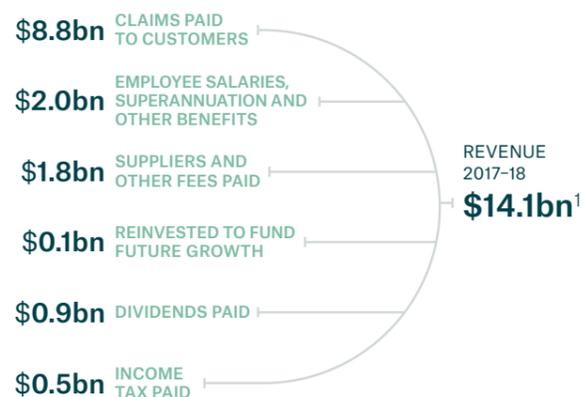
Suncorp Group Limited is a leading financial services provider with over nine million customers. We employ approximately 13,300 people and have \$99 billion in assets.

We offer a broad range of products and services across Australia and New Zealand spanning banking, wealth management, and insurance solutions from our many brands including Suncorp, AAMI, GIO, Apia, Shannons and Vero, as well as those from our partners.

Suncorp is a top-20 ASX-listed company and during 2017-18 we delivered a cash return on average shareholders' equity of eight per cent, achieved a consumer net promoter score of +7.3, maintained gender parity in our leadership roles and further reduced our greenhouse gas emissions by seven per cent.

Since 1902 we have been building a responsible and resilient company while creating value for our stakeholders.

### HOW SUNCORP CONTRIBUTES TO THE ECONOMY



1. Net of interest expense



# Highlights

### Our Financial Performance

Net profit after tax  
**\$1,059m**

Dividends paid to ordinary shareholders<sup>1</sup>  
**81** cents per share

Cash return on average shareholders' equity  
**8.0%**

### Our Customers, People and Society

Women in leadership  
**51%**

Consumer net promoter score<sup>2</sup>  
**+7.3**

Investment in local communities  
**\$10.1m**

### Our Environment<sup>3</sup>

Reduction in greenhouse gas emissions<sup>4</sup>  
**7%↓**

Reduction in air travel  
**12%↓**

Reduction in fuel used in company vehicles  
**6%↓**

1. Includes special dividend of eight cents per share 2. Source: DBM Consumer Atlas, 12-month rolling as at June 2018 3. Australian core operations 4. Based on Scope 1 and Scope 2 emissions

# Providing solutions and service in the moments that matter across Australia and New Zealand



**Protecting customers' most valuable assets:** Home, motor vehicle, life and health solutions



**Enabling businesses to achieve their full potential:** Business insurance, banking and finance options



**Helping customers recover from injury:** Workers compensation and compulsory third party insurance



**Helping customers achieve their financial goals:** Wealth management



**Tailoring financial solutions for customers' everyday needs:** Retail banking and home lending



**Building community resilience:** Community investment, advocacy and partnerships



**Partnering to meet more customer needs:** Strategic alliances, joint ventures and partnerships



**Delivering exceptional and seamless customer experiences:** Store network, contact centres and digital channels



**Getting customers back on their feet when disaster strikes:** Claims management, repair and rebuild services



**Supporting rural and regional communities:** Agribusiness products and services

# Message from our Chairman



“It has been a pleasure and a privilege to have served as Chairman of the Suncorp Board for the past seven years. I look forward to seeing Suncorp continue to prosper as a fellow shareholder.”

Since joining the Board 13 years ago, it is clear every sector of society and the economy has experienced extraordinary change. The pace and impact of technology and the seismic shift in customer expectations are reshaping industries, companies and how we interact with each other.

We know this will continue, often in bewildering ways given the complex ecosystem in which we operate. Intense public and political scrutiny is also driving regulatory and industry reform. However, alert companies will seize the opportunity to be proactive and advance the way they work, interact with communities and importantly, deliver valuable solutions to customers.

## Delivering for customers

While Suncorp has a proud history in being there for our customers, whether it's supporting communities to rebuild after natural disasters or helping people buy their first home, we know we can always improve. Even with the anticipated changes that will flow from the Royal Commission, our people are committed to keeping pace with growing community expectations and doing the right thing.

Over the past financial year, we have made significant investments in technology platforms, as well as in digital and data capabilities. This is making it easier for our customers while providing greater choice, transparency and recognising their loyalty.

With the Suncorp marketplace now integrated across the organisation and the new Suncorp App now live, customers have greater flexibility to choose how and

when they access our brands, products and services, either through our App, online, or in person through contact centres, stores and our network of intermediaries.

It has been a big year of achievements and we have laid strong foundations for the future.

## Delivering for shareholders

Beyond a year of intense activity which saw the reshaping of our organisation and improvements in customer experience, Suncorp people also delivered major pieces of infrastructure and technology. This produced strong financial returns with a net profit after tax of \$1,059 million after making important forward-looking investments.

The Board has declared a final ordinary dividend of 40 cents per share and a special dividend of eight cents per share, bringing the total dividend for 2017-18 to 81 cents per share, fully franked. This outcome has delivered a cash return on average shareholders' equity of eight per cent for the financial year.

Importantly, momentum has been steadily growing across our businesses such that, given a largely benign economic environment, expectations are for a good 2018-19 operating year.

## Our corporate responsibility

Responsible investment has become increasingly relevant over the time I have been on the Board, and Suncorp has responded with a range of initiatives, most notably the introduction of our Responsible Investment Policy and Climate Change Action Plan this financial year.

Addressing climate change not only makes good environmental sense but our Action Plan also supports the business to protect and enhance shareholder value under various climate scenarios. We have also continued to reduce our environmental footprint, with greenhouse gas emissions down seven per cent over the year.

This year Suncorp has also refreshed our Financial Inclusion Action Plan, which reflects our commitment to providing responsible financial services and meeting the needs of our most vulnerable customers. We also launched our Reconciliation Action Plan, which reflects our commitment to supporting the social and economic prosperity of Aboriginal and Torres Strait Islander peoples.

## Bringing new skills and experience

Following my retirement at the Annual General Meeting which will be held in September, I will be succeeded by Christine McLoughlin, subject to shareholder approval of her re-election. Christine, who has served on the Suncorp Board since February 2015, has a depth of experience from an executive career in financial services and board positions with other listed companies. Having worked with Christine since she joined the Board, I am confident, with the support of her Board colleagues, she will guide Suncorp to the next level of performance. I wish Christine well for her tenure.

Governance and Board renewal has been a continued focus, with two new appointments during the year. Lindsay Tanner joined the Board in January and Sylvia Falzon will join in September.

Both add to the skill sets of our existing directors, bringing highly relevant experience and deep insights into the changes that are shaping our industry.

## Farewell and thank you

It has been a pleasure and a privilege to have served as Chairman of the Suncorp Board for the past seven years. I look forward to the Group continuing to generate attractive returns for its shareholders and growing in the esteem of its peers and the communities we serve. Suncorp today is a different organisation to the one I joined as a director in 2005. It has grown and evolved to become a customer-centric financial services organisation with operations across Australia and New Zealand.

There are several achievements of which I am particularly proud and which reflect the effective functioning of the Board and

Executive in pressured situations. These include shepherding the organisation through the Global Financial Crisis in 2008 and thereafter; the simplification and transformation of the business in 2010; our response to the natural disasters of the summer of 2010-2011; consolidating the Group's five general insurance licences under one issuer in 2013; and the delivery of consistent shareholder returns with strong dividends.

Beyond all of this, what I'm most proud of is how Suncorp and its people continue to be there for our customers in the moments that matter, whether that's floods, cyclones, storms and bushfires across Australia, or earthquakes in New Zealand.

I would like to thank my fellow and former Board members for their support over the years, as well as the two chief executives who have helped define my tenure - Michael Cameron and

Patrick Snowball. Ultimately Suncorp is a high-quality institution and resilient business that has thrived in the face of considerable industry change, disruption and innovation. I leave the Company in good health, with confidence in the strategy and management's ability to successfully execute that strategy.

Finally, I am grateful to you, our loyal Suncorp customers, our people and our shareholders for your ongoing support. I look forward to seeing Suncorp continue to prosper as a fellow shareholder.

**DR ZIGGY SWITKOWSKI AO**  
CHAIRMAN  
9 AUGUST 2018

## BOARD OF DIRECTORS



### LINDSAY TANNER<sup>1</sup>

BA (Hons), LLB (Hons), MA (Melb)  
Independent director since January 2018. Member Risk Committee.

### DR ZIGGY SWITKOWSKI AO

BSc (Hons), PhD, FAICD, FAA, FTSE  
Independent director since September 2005. Board Chairman since October 2011. Chairman Nomination Committee; ex-officio member of each of the Audit, Risk, and People and Remuneration Committees.

### SIMON MACHELL

BA (Hons), FCA  
Independent director since April 2017. Member Audit Committee, and People and Remuneration Committee.

### SALLY HERMAN

BA, GAICD  
Independent director since October 2015. Chairman Risk Committee; member Audit Committee, and People and Remuneration Committee.

### MICHAEL CAMERON

FCPA, FCA, FAICD  
CEO & Managing Director since October 2015. Non-executive director from April 2012 to September 2015.

### DR DOUGLAS MCTAGGART

BEcon (Hons), MA, PhD, DUniv, FAICD, SFFin  
Independent director since April 2012. Chairman Audit Committee; member People and Remuneration Committee.

### CHRISTINE MCLOUGHLIN

BA, LLB (Hons), FAICD  
Independent director since February 2015. Chairman People and Remuneration Committee; member Risk Committee.

### AUDETTE EXEL AO

BA, LLB (Hons)  
Independent director since June 2012. Member Risk Committee.

NOTES: Directors' biographical details, including their company directorships and other appointments, are available at [suncorpgroup.com.au/about/leadership](http://suncorpgroup.com.au/about/leadership). All independent, non-executive directors serve on the Nomination Committee.

1. Appointed to the Board in January 2018. William Bartlett and Ewoud Kulk retired from the Board in September 2017.

# Message from our CEO & Managing Director



“There is considerable momentum in the business and a clear pathway to deliver a significant uplift in shareholder returns in the 2018-19 financial year.”

The 2017-18 financial year was an important milestone in the Group’s transformation — providing an improved experience for our customers, better ways of working for our people, and stronger returns for our shareholders.

Six months ago, we committed to a stronger second half and I am pleased to report our sustained focus on the strategy has begun to deliver meaningful benefits to our shareholders. A 34 per cent increase in net profit after tax (NPAT) on the first half has contributed to a NPAT for the full year of \$1,059 million, and a total dividend of 81 cents per ordinary share, fully franked.

These improvements are being achieved in the midst of a period of intense regulatory and political scrutiny of the entire financial services sector. Suncorp’s focus on creating value for our customers, not from our customers, positions us well to respond to the changes that lie ahead. While we cannot know the extent of the reform that will result from the Financial Services Royal Commission, we are confident that the strategic approach Suncorp

has been implementing over the past two years is both timely and beneficial for customers and shareholders.

Continuing to embed the right culture and behaviours in our organisation is critical. Our Compass guides our people’s behaviour, and Elevating the Customer is a strategic priority for the business and fundamental to the achievement of our strategy.

## Digital transformation

Following our investment in accelerating the marketplace component of the strategy, we have launched the new Suncorp App and brought together the online experience through the One Suncorp Portal, giving customers a single place to manage their policies and products across our network of brands. Additionally, we have introduced digital wallets through Apple Pay and Google Pay, and increased the number and range of products and services that our customers can choose to access.

By continuing to transform and digitise the business, we are enhancing the value we can deliver for customers including more personalised and meaningful services and experiences.

We are also now rewarding our customers for their loyalty. Over 400,000 customers have already signed up to our new reward and recognition program, Suncorp Benefits. The program supports the financial wellbeing of customers, giving them the ability to do more with their money through savings on everyday items as well as larger purchases.

Our Discovery Store in Pitt Street Mall, the heart of Sydney’s shopping district, was launched in December and complements our Carindale and Parramatta concept stores. These stores are open seven days a week. They bring together our brands and offerings across financial services to demonstrate the benefits of being part of the Suncorp network. They also help to showcase our brands in new markets as well as promote Suncorp.

## Delivering better customer experiences and driving operational excellence

We are also now one year into our Business Improvement Program, which is delivering better customer experiences as well as streamlining processes and driving efficiencies across the organisation. For example, we have made things easier by reducing the length of our lending application forms for small business customers, we have reduced turnaround times for conditional home loan approvals and migrated more of our customers onto systems that allow them to view their statements electronically. In addition, by creating operational efficiencies, we have delivered \$40 million in net savings in 2017-18, with the program to drive even greater reductions to the Group’s cost base from the 2018-19 financial year, while also continuing to deliver improved experiences for customers.

## Life Insurance Australia divestment

Following the completion of a strategic review, we have entered into a non-binding Heads of Agreement with TAL Dai-ichi Life Australia to divest Suncorp’s Australian Life Insurance business. As part of the proposed transaction, we will enter into a 20-year strategic alliance agreement with TAL for the provision of life insurance products for our customers in Australia. Following the execution of a sale agreement, the transaction is expected to be completed by 31 December 2018, subject to regulatory approvals and conditions.

## Good momentum heading into 2018-19

There is considerable momentum in the business and a clear pathway to deliver a significant uplift in shareholder returns in the 2018-19 financial year. I would like to recognise the hard work of our dedicated teams and their commitment to deliver on our priorities.

Our vision is for Suncorp to be the destination for the moments that matter and in achieving this vision, we are creating a better today for all our stakeholders.

**MICHAEL CAMERON**  
CEO & MANAGING DIRECTOR  
9 AUGUST 2018

## SENIOR LEADERSHIP TEAM



### FIONA THOMPSON

BEC, LLB  
Chief Risk Officer

### GARY DRANSFIELD

GAICD  
Chief Executive Officer  
Insurance

### LISA HARRISON

BCom, MBA, GAICD  
Chief Program Excellence  
Officer

### STEVE JOHNSTON

BBus (Management), BBus  
(Public Administration)  
Chief Financial Officer

### DAVID CARTER

BCom, GDipAppFin, GDipFin-  
Plan, FCPA, FFin, GAICD  
Chief Executive Officer  
Banking & Wealth

### AMANDA REVIS

BSc (Hons), GAICD  
Chief People Experience  
Officer

### MICHAEL CAMERON

FCPA, FCA, FAICD  
CEO & Managing Director  
since October 2015

### SARAH HARLAND

BA (Hons), MBA, GAICD  
Chief Information Officer

### PAUL SMEATON

BBus (Management)  
Chief Executive Officer  
New Zealand

### PIP MARLOW

MAICD  
Chief Executive Officer  
Customer Marketplace



During the past year we have been driven by our purpose to *create a better today* for all our stakeholders.

**PURPOSE**

Suncorp's purpose to create a better today extends to our customers, shareholders, communities and our people. We help families, individuals and businesses connect with the products, services, tools and experiences that enable them to enjoy the life they have today, and plan for the life they want tomorrow.

**VISION**

Our vision to be the destination for the moments that matter builds on our heritage of being there for our customers and communities when they need us most.

**CULTURE**

Our culture supports a strong ethos of caring for others and doing the right thing. It also aligns performance, customer and risk considerations that are critical to delivering good customer and business outcomes. Our people are recognised for being there to support our customers, acting with integrity, and solving problems in line with Our Compass behaviours to Think Big, Kick Goals, Be Your Best and Show You Care.

**STRATEGIC PRIORITIES**

To achieve our vision, we are focused on three strategic priorities to Elevate the Customer, Inspire our People and Drive Momentum and Growth.

**Elevate the Customer**

We strive to deliver more personalised customer experiences, providing greater choice and seamless access to our products and services across our stores, contact centres and digital platforms.

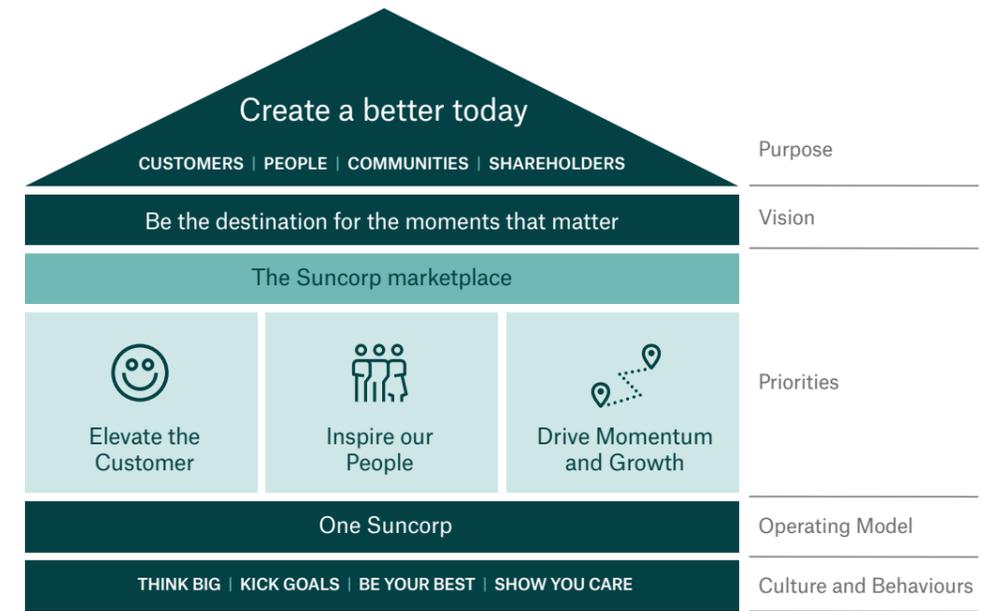
This becomes easier as we continue to digitise our business through enhanced technological capabilities, and further embed our customer-centric culture.

**Inspire our People**

We aim to harness the passion and capability of our entire workforce so everyone can be their best. We are focused on building the workforce and workspace necessary to deliver Suncorp's strategy, which includes developing the skills, technology and ways of working needed now, as well as into the future.

As our workforce transforms, we are investing in the capability of our leaders and the development of new skills to support our people.

OUR STRATEGY



**Drive Momentum and Growth**

To remain a sustainable business our customers can count on, we will build and protect our reputation for excellence in financial services in Australia and New Zealand. We are focused on meeting our regulatory commitments, investing in core systems, improving operational excellence through our Business Improvement Program, and engaging in disciplined portfolio management.

**ONE SUNCORP OPERATING MODEL**

Our One Suncorp operating model brings complementary disciplines together, with a common goal to put customers at the heart of everything we do. This helps us to streamline processes and create efficiencies, with the objective of improving the customer experience and lifting shareholder returns.

In Australia, our customer-facing, marketing and insights teams work together under the Customer Marketplace function. Our Insurance and Banking & Wealth teams lead our portfolio, pricing and claims fulfilment activities. A similar operating model is in place in New Zealand.

**Enabling teams**

Our corporate functions of Finance, Legal & Advice, Technology, Data & Labs, People Experience, and Risk provide expertise and insights to support the delivery of our customer-centric strategy.

The Program Excellence function accelerates the realisation of sustained benefits for our customers, people and shareholders, by taking a cross-functional approach to the management and prioritisation of our project investment portfolio. It provides clear governance for programs of work that drive business improvement and operational excellence, greater customer experience and regulatory compliance.

OPERATING MODEL





# Value for our stakeholders

BUSINESS AND PERFORMANCE

Over the past year we provided solutions to improve our customers' experience, delivered operational efficiency through our Business Improvement Program and returned excess capital to our shareholders.



## CUSTOMER MARKETPLACE

We put our customers at the heart of our organisation, which means we are deepening our understanding of their needs and developing solutions to better meet them.

While customer expectations change, maintaining trust, privacy and security remains non-negotiable. Technology is playing a bigger role in our customers' lives, and our digital interactions are increasing. With 70 to 85 per cent of customer interactions occurring across two or more of our distribution channels, providing choice remains paramount.

Suncorp is providing customers with a range of solutions from our network of brands and third-party partners. These solutions are designed to be easily accessible, personalised and recognise and reward customer loyalty.

## Developing new solutions for customers

Through partnering with third parties, Suncorp is broadening its range of solutions and experiences and making them available to customers faster. We are creating ecosystems to help our customers manage all aspects of their home and car.

Our new home and car resources include access to property inspections, energy plans, home maintenance and conveyancing, and our partnership with Georgie, a car-buying specialist company, simplifies the process of buying a car.

We are also exploring emerging technologies to create new solutions. Last year we partnered with Traity to pilot Trustbond, an award-winning product that replaces the traditional rental bond payment with a digital credibility check. The solution is designed to make the rental market more accessible for today's flexible workforce or those who have no rental history.

In 2018 we also launched Suncorp Benefits, our new customer rewards program, which extends the benefits of being part of the Suncorp network to all customers, regardless of brand. Customers are saving on everyday purchases such as groceries and have access to discounts from over 100 retailers.

## Improving our digital capability

This year, we released the new Suncorp App which is changing the way our customers manage their financial wellbeing. The App brings together our brands, partners and solutions to provide one place for customers to manage their money, home, car and health.

This important platform provides a strong foundation for the future with functionality continuing to be released in phases.

While investing in our digital channels, we are also reviewing our services and locations and making changes based on customer behaviour and demand. The decision to close a store is never taken lightly, and wherever this is necessary, we are committed to helping customers access alternative ways of connecting with us.

Additionally, we have enhanced our online claims process through our partnership with IBM Watson. Using the natural language capabilities of Watson – IBM's Artificial Intelligence platform – we have transformed claims lodgement to include determination of the claim, an ability for customers to pay any excess required and choose their repairer, all within five minutes. Historically, this process would have taken a minimum of 24 hours.

## Building a national brand

Building the Suncorp brand nationally, while better connecting our network of existing brands, has increased awareness and is helping us to build new customer relationships.

Our stores are extending into multi-brand offerings, led by our concept stores in Parramatta and Carindale, and the opening of our Discovery Store in Sydney's Pitt Street Mall in December 2017.

## INSURANCE AUSTRALIA

Suncorp is one of Australia's largest, most integrated and diverse insurance businesses. We strive to earn the trust of our customers by delivering valuable products and services that provide protection and peace of mind. And when the unexpected happens, customers have confidence that Suncorp will get them back to where they were.

Our Insurance Australia business offers a range of home, motor, travel and health insurance solutions. We operate a diverse commercial insurance portfolio and we are Australia's largest personal-injury insurer combining compulsory third party (CTP), workers compensation and life insurance. We have more than 100 years' experience providing insurance through our network of brands.

In 2017-18 our Insurance business in Australia achieved a net profit after tax of \$739 million, an increase of two per cent on the previous year. This was

driven by strong growth in our motor and home insurance portfolios, lower natural hazards claims costs in the second half of the year, and benefits from the Business Improvement Program initiatives. Growth in the CTP portfolio was impacted by scheme reforms, primarily in New South Wales (NSW).

Underlying profit in the life insurance business improved by 43 per cent, reflecting improvements from the Life Optimisation program of work.

## Motor Vehicle and Property Insurance

Each year we receive almost 250,000 property insurance claims and 600,000 motor insurance claims, paying out approximately \$5.0 billion annually and averaging over \$13.5 million per day. Following natural disasters, Suncorp pays out on average over 98 per cent of insurance claims.

Insurance companies, like the rest of the financial services sector, are under increasing pressure to meet changing community expectations and are facing greater competition from start-ups and new market entrants. As a result, it has been our priority to simplify our claims processes to deliver a better experience for our customers.

Through a program of work focused on motor, property and specialty claims, we:

- improved analytics and reporting to drive performance at each stage of the motor claim process, ensuring customer vehicles are directed to the right repairer in the first instance
- increased the Capital S.M.A.R.T Repair network, allowing us to expedite repairs and offer recycled parts
- increased the number of aligned repairers where S.M.A.R.T centres are not available
- launched a not-at-fault car hire feature that leverages our supply chain capability to put customers back on the road sooner
- introduced new communications channels, enabling a low-effort lodgement process for motor hail claims, and providing customers with status updates on their claims
- re-engineered our supplier panel to improve our customers' experience in property repairs
- digitised claims communications and processes to streamline and simplify the customer experience.

People are using their vehicles differently and to meet their changing needs, we launched an optional ride share cover feature for our motor vehicle insurance customers.

## Health Insurance

Suncorp continues to offer customers access to a range of private health insurance options through our partnership with nib Health Insurance. This includes a suite of products under the AAMI, Suncorp and Apia brands, with options to suit customers at every stage of their life.

## Commercial Insurance

Suncorp offers commercial insurance solutions that protect the assets and livelihoods of a range of businesses, from sole traders and small-to-medium enterprises through to large multinationals. This includes coverage for commercial buildings, motor fleets, retail businesses, construction, hospitality providers, trades, and insurance for professionals.

During the year we released an expanded Equipment Breakdown cover. For small-to-medium enterprise customers, we are delivering improved outcomes through our low-touch claims process and competitive event response support.

## CTP Insurance

The changing environment for statutory insurance schemes continued throughout 2017-18, with significant reform being implemented in NSW and expected reforms in the Australian Capital Territory (ACT) CTP schemes. In response to these reforms, Suncorp has implemented product, process and system changes to meet regulatory requirements, while identifying further improvements in claims management to help injured customers receive the care they need.



## VALUE FOR OUR STAKEHOLDERS

### Workers Compensation

Across Australia, Suncorp is a leading workers compensation insurer and service provider. We play a significant role in helping employers manage their employees' wellbeing. Suncorp offers workers compensation insurance in all markets open to competitive underwriting – Western Australia, Tasmania, ACT, and the Northern Territory – as well as acting as a claims agent in the NSW Managed Fund scheme.

Throughout the year we strengthened our working relationship with iCare, the NSW Government organisation created to deliver better outcomes for people injured in the workplace or on the roads. In 2018 we secured the management of a further significant proportion of NSW workers compensation claims.

### Life Insurance

Offering our customers a range of life insurance solutions is a key part of Suncorp's strategy. Throughout the year, our Life Optimisation Program delivered efficiencies in claims and expense management, streamlined processes, and improved product offerings and claims outcomes.

### Suncorp Insurance Ventures

Suncorp Insurance Ventures is delivering high-quality services to our customers through our investment in innovative and industry-leading repairers – Capital S.M.A.R.T Repairs, HomeRepair and ACM Parts.

In 2018 Capital S.M.A.R.T expanded its network in Australia and New Zealand, opening three new sites. This is helping to get more of our customers back on the road faster than traditional repair industry timeframes. In addition, HomeRepair is now coordinating and managing more claims from start to finish, enabling lower repair timeframes and increasing customer satisfaction.

### NEW ZEALAND

Suncorp New Zealand has a suite of well-respected brands including Vero, Vero Liability and Asteron Life, which we distribute through intermediaries and corporate partners. We also work in joint venture with the New Zealand Automobile Association (AA) to distribute directly to customers under the AA Insurance and AA Life brands.

In 2017-18 the New Zealand (NZ) business continued to grow across both the general insurance and life insurance portfolios. We achieved net profit after tax of \$135 million, an improvement of 65 per cent compared to the previous year, which was impacted by the Kaikoura earthquake. A number of significant weather events also affected this year's result, including cyclones Gita and Fehi.

The General Insurance business delivered net profit after tax of \$99 million, with premium increases across all portfolios supported by growth in the direct and corporate partner channels.

In Life Insurance, net profit after tax of \$36 million was driven by continued customer retention.

Following the NZ Commerce Commission's decision to decline our request to acquire Tower Insurance Limited, we divested our stake in the company, resulting in a loss of \$3.9 million.

### General Insurance NZ

By the end of June 2018, Suncorp had assessed 99 per cent of all home claims from the Kaikoura earthquake, with over 96 per cent now settled or partially settled.

In response to increased reinsurance costs following the Kaikoura event, pricing and underwriting changes were implemented across our personal, business and corporate products. We also launched a program aimed at reducing our risk exposure in earthquake-prone areas, particularly in corporate property underwriting.

In September 2017 Suncorp customers who suffered severe flood damage to their properties in Edgcumbe following a once-in-500-year flood, were among the first to return to their homes. This was made possible by using drone

technology to access parts of the town that were cut off, to complete initial assessments and speed up the claims process for customers.

### Life Insurance NZ

During the year we streamlined the quoting and purchasing of Asteron Life insurance policies for advisers, which resulted in better outcomes for customers due to improved processing times and data accuracy.

### Corporate partners and joint ventures

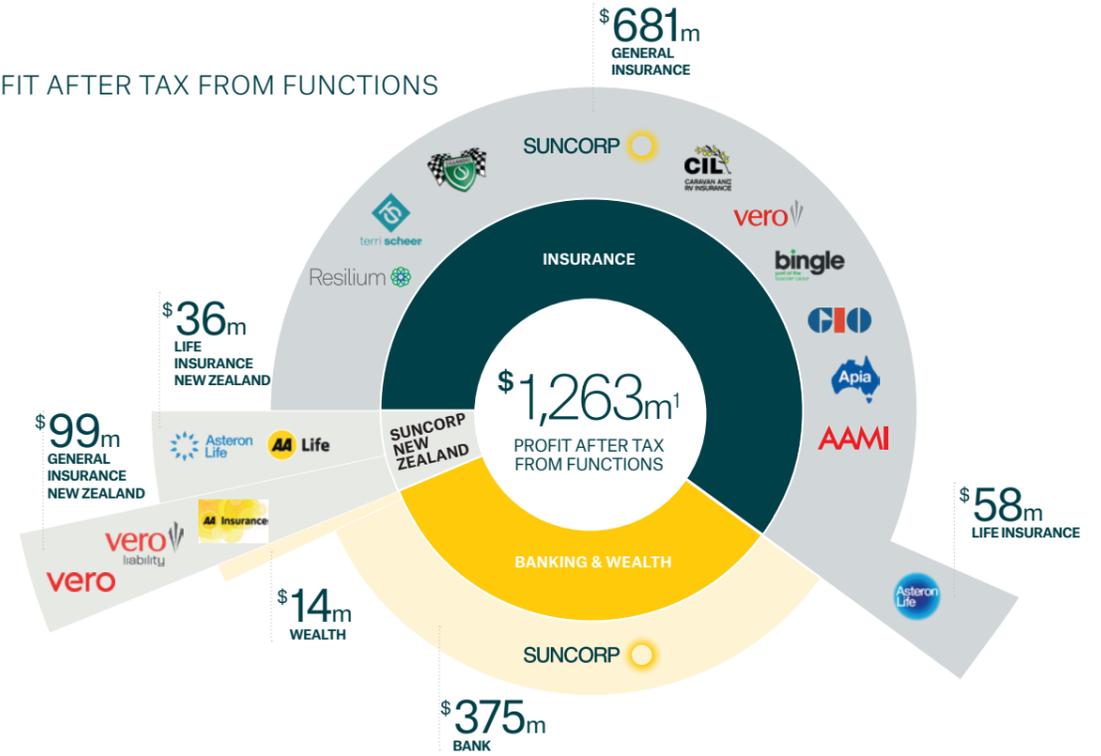
Suncorp New Zealand has long-term relationships with ANZ Bank, Turners motor group, the country's largest retailer The Warehouse, and diversified financial services provider, AMP.

Over the past year we continued to advance our digital capability with the delivery of ANZ Quick Quote, which makes the quoting process simpler for our people and our customers.

Our joint venture with AA successfully launched Small Business Insurance, which aims to simplify and personalise the process of buying insurance for small businesses. Customers can mix and match products to suit their needs and cover can be adjusted up or down as the business grows or things change.



## PROFIT AFTER TAX FROM FUNCTIONS



### BANKING & WEALTH

Suncorp Bank has a 116-year history of supporting customers and communities to meet their financial needs. We are one of Australia's leading banking and wealth providers serving personal, small-to-medium enterprise and agribusiness customers.

In 2017-18 Suncorp's Banking & Wealth business achieved a net profit after tax of \$389 million, with strong growth in both deposits and lending. This was underpinned by new offerings, simplified processes and a better digital experience for our customers.

### Banking

During the past 12 months we introduced several enhancements to our banking products and services, including reduced fees, the launch of our Growth Saver account and self-service capabilities that allow customers to open new accounts online and immediately block transactions if a card is lost or misplaced.

Digital interactions continue to increase and our services have evolved to meet this growing demand. We have introduced digital wallets such as Apple Pay, Google Pay and Samsung Pay as fast, easy and secure payment methods.

The automation of online applications for personal loans has resulted in some customers receiving conditional approval in 15 minutes, a process that previously took up to four business days.

We have also continued to strengthen relationships with our network of brokers who value faster turnaround times on loan approvals, and have been working hard to meet their expectations.

Banking & Wealth made a significant contribution to Suncorp's Financial Inclusion Action Plan, including the way we support vulnerable customers experiencing the impact of financial hardship, financial abuse and drought.

Suncorp was recognised with several awards, including *Money* magazine's Bank of the Year and Business Bank of the Year. These awards reflect our commitment to providing products that deliver real value for our customers.

Working through Advanced Accreditation with the Australian Prudential Regulation Authority (APRA) remains a priority, and we have the appropriate models, processes and risk behaviours in place to operate as an advanced bank. Recent reforms require further consideration as they are expected to reduce the gap between

standardised and advanced bank capital requirements.

We remain on track to complete the delivery of the Australian Banking Association's (ABA) Better Banking initiatives and continue to advocate for changes that support a strong, competitive and sustainable banking sector in Australia.

Suncorp Bank is a signatory to the current Code of Banking Practice and is committed to implementing the revised Code by 1 July 2019.

### Wealth

In our superannuation business, we continued to focus on opportunities to improve the digital experience and deliver operational efficiencies, following the completion of a transformational program to simplify and consolidate our suite of products.



1. As reported in the 2017-18 Suncorp Investor Pack



# Corporate Governance

GOVERNANCE AND CULTURE

The Board understands the important role it plays in stewarding Suncorp's corporate governance, corporate culture and social licence to operate.

## CORPORATE GOVERNANCE

As an ASX-listed company, Suncorp's Board believes high standards of corporate governance are essential for achieving business objectives, sustaining long-term share price performance and creating value for our shareholders and key stakeholders.

The Board is committed to maintaining a corporate governance framework and corporate culture that value ethical behaviour and integrity. The Board is responsible for the corporate governance framework, which operates under Board-approved policies, charters and practices. The Board and its Committees regularly review the corporate governance framework and associated practices to ensure they keep up to date with regulatory change, market practice and community expectations.

Collectively, the Board is responsible for approval of the objectives, strategies and policies to address the environmental, social and governance (ESG) risks and opportunities for Suncorp. This includes new policy development and the setting of metrics and targets for non-financial performance reporting.

Throughout 2017-18 our governance arrangements were consistent with the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* (3rd edition). Further information is provided in Suncorp's detailed Corporate Governance Statement, available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

Three Senior Leadership Team sub-committees form part of the corporate governance structure, and help operationalise our corporate responsibility commitments, Equal Employment Opportunity and Diversity Policy and Customer Strategy.

Suncorp's Chief Financial Officer chairs the **Corporate Responsibility Council**, which formally oversees our corporate responsibility commitments and the development of strategies to address ESG risks and opportunities.

Suncorp's CEO & Managing Director chairs the **Diversity Council**, which oversees how we foster diversity and inclusion initiatives in an environment where our people can be their best, and tracks our progress against the objectives and targets set out in our Equal Employment Opportunity and Diversity Policy.

The Corporate Responsibility and Diversity Councils met seven and four times respectively during 2017-18.

Suncorp's Executive General Manager Customer Strategy and Digital chairs the **Customer Committee**, which oversees and aligns initiatives that underpin our strategic priority to Elevate the Customer. The Customer Committee was formed in April 2018 and convenes monthly.

## RISK MANAGEMENT

The Board and management recognise that a strong risk culture, good governance and effective risk management are essential to achieving Suncorp's strategy and maintaining our social licence to operate. Effective risk management at Suncorp is driven by:

- our Enterprise Risk Management Framework (ERMF) which ensures the business takes accountability for risk management and owns its risk decisions

- an independent risk management function that oversees and challenges the business in its risk-taking

- the monitoring of Suncorp's risk maturity and targeted actions to continually increase risk management capability, including risk management outcomes in the assessment of performance

- a clearly articulated risk appetite that is aligned to the Suncorp strategy and sets out the nature and degree of risk the Board is willing to accept in pursuit of Suncorp's business objectives.

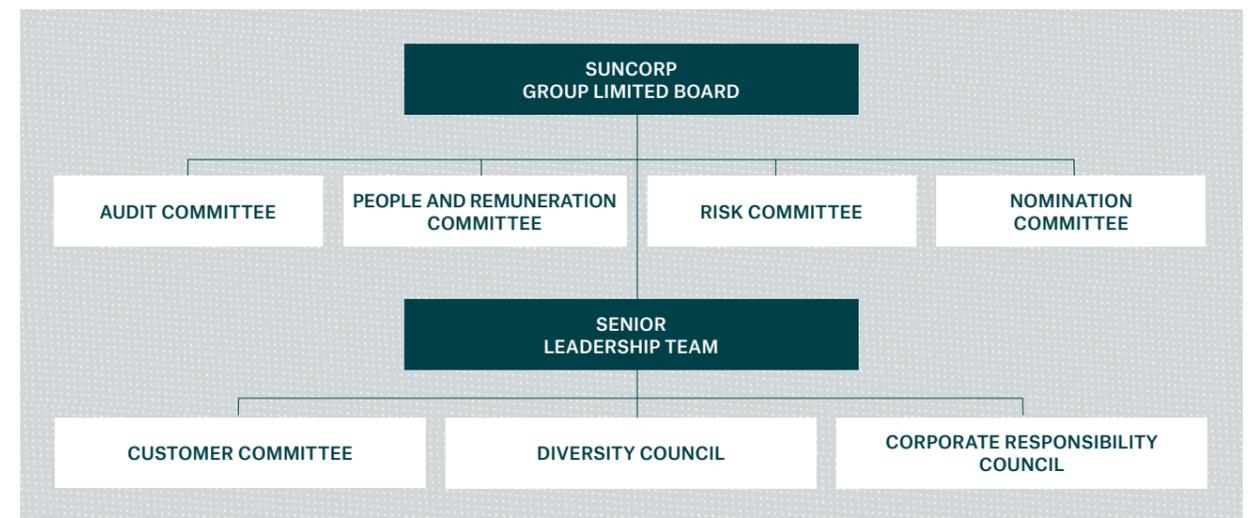
The Board is ultimately accountable for compliance management and promotes a risk-aware culture through the ERMF. The ERMF lays the foundation for our approach to risk management and will continue to evolve with Suncorp's strategy and operating environment.

## MARKET DISCLOSURE, REGULATOR AND SHAREHOLDER COMMUNICATIONS

Suncorp aims to keep the market, analysts, investors and shareholders fully informed of its financial performance and strategy. Suncorp's Disclosure Policy and associated procedures regulate the communication of market-sensitive information and compliance with continuous disclosure obligations. This policy applies to all Suncorp people and is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

We endeavour to ensure openness and transparency, and that communications with stakeholders and regulators occur in a timely manner, including the referral of any material correspondence to the Suncorp Board or relevant Board Committee. Further detail on compliance and engagement with regulators is provided on page 22 under Trust and Transparency.

## CORPORATE GOVERNANCE STRUCTURE



# Culture – balancing customer, risk and performance

Suncorp’s culture is demonstrated in the behaviour of our people and is driven by our shared beliefs and experiences.

## OUR CULTURE

Our culture is built on three core elements:

**Customer culture** – putting customers at the heart of every decision. Our customer culture is critical at all stages of the customer lifecycle, including claims management.

**Risk culture** – identifying, understanding, and managing Suncorp’s current and future risks within our risk appetite.

**Performance culture** – helping our people understand the behaviours and outcomes that are valued and rewarded at Suncorp.

The Board and senior management recognise the importance of developing and maintaining a constructive culture, which is achieved through:

- the role played by the Board, senior management, and all leaders in modelling appropriate behaviours
- clearly communicating accountabilities between the Board, senior management, leaders, and all employees
- supporting our approach to governance and corporate responsibility frameworks
- monitoring the health of our culture through a range of feedback mechanisms, and taking action to reset when necessary.

We continue to strengthen our remuneration frameworks, accountability structures and risk management practices to ensure employee behaviours reflect a culture that aligns to customer, risk and performance considerations.

## OUR CULTURE



# Remuneration

Suncorp is committed to a fair, transparent and responsible remuneration framework, as expected by our shareholders, customers, employees and wider community.

## GOVERNANCE

The People and Remuneration Committee recommends our people and remuneration framework and practices to the Board for approval, and ensures frameworks are in place to enable us to attract, motivate and retain talent and support the achievement of strategic objectives.

Our Remuneration Policy provides a governance framework for the structure and operation of remuneration plans within the context of achieving our business strategy and long-term financial soundness. Our remuneration strategy is aligned to our business strategy and risk tolerance, and ensures the principles that determine remuneration are focused on delivering performance while demonstrating appropriate behaviours.

## STRUCTURE

The executive remuneration structure consists of fixed remuneration, short-term incentives (STI) and the granting of long-term incentives (LTI). Fixed remuneration reflects the role scope and the individual’s skills and experience, and

is reviewed annually. The STI rewards the achievements of Group, function and individual outcomes over a 12-month period, and the LTI rewards the creation of long-term shareholder value.

The CEO & Managing Director’s remuneration mix is heavily focused on long-term performance and two-thirds of total remuneration for Senior Executives is ‘at-risk’.

## REMUNERATION REVIEW

In undertaking our remuneration review, the Board has given additional attention to strengthening the remuneration framework and ensuring that it reinforces executive accountability, responsible business practices, a constructive company culture and effective risk management. In doing so, the Board has taken into consideration broad stakeholder feedback and insights from recent public inquiries and reviews into the operation of various parts of the Australian financial services sector.

Further detail is provided in the 2017-18 Directors’ Report and Financial Statements, available at [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)



# Resilience for tomorrow

CORPORATE RESPONSIBILITY

Responding effectively to stakeholders and working together on risks and opportunities ensures we build a more resilient and responsible organisation.

## STAKEHOLDER ENGAGEMENT

We engage a broad range of stakeholders to work collaboratively on issues that impact our business.

Our stakeholders include our customers, our people, shareholders and investors, business partners and suppliers, government, industry and regulatory bodies, consumer advocacy groups, community partners, universities and non-government organisations.

We identify key stakeholders based on the impact of our business activities, the level of risk to the organisation, and the opportunity to collaborate for positive outcomes. During the past year, we conducted extensive consultation with external stakeholders while working on our Financial Inclusion, Reconciliation, and Climate Change Action Plans.

We engage stakeholders through regular informal dialogue such as meetings and events, as well as formal channels including investor briefings and reports,

consultation with elected representatives, government officials and regulators, and participation in major industry and consumer advocate forums and supplier reviews. Stakeholders play an important role and help inform our approach to material issues such as maintaining trust and improving transparency, responding to climate change, Reconciliation, and supporting vulnerable customers.

## OUR MATERIALITY ASSESSMENT

We conduct regular materiality assessments to help identify and prioritise the ESG topics that are most significant for our business.

We evaluate the importance of these topics to stakeholders and their potential impact on the sustainability of our business. This process helps us make more informed and balanced decisions that reflect the needs and expectations of our business, stakeholders and the community, both now and in the future.

We have refreshed our materiality assessment for 2017-18. The 2018 assessment was conducted by an external independent sustainability consultant using a mix of research methods, including:

- a review of media and peer activities across Australia and New Zealand, including industry megatrends

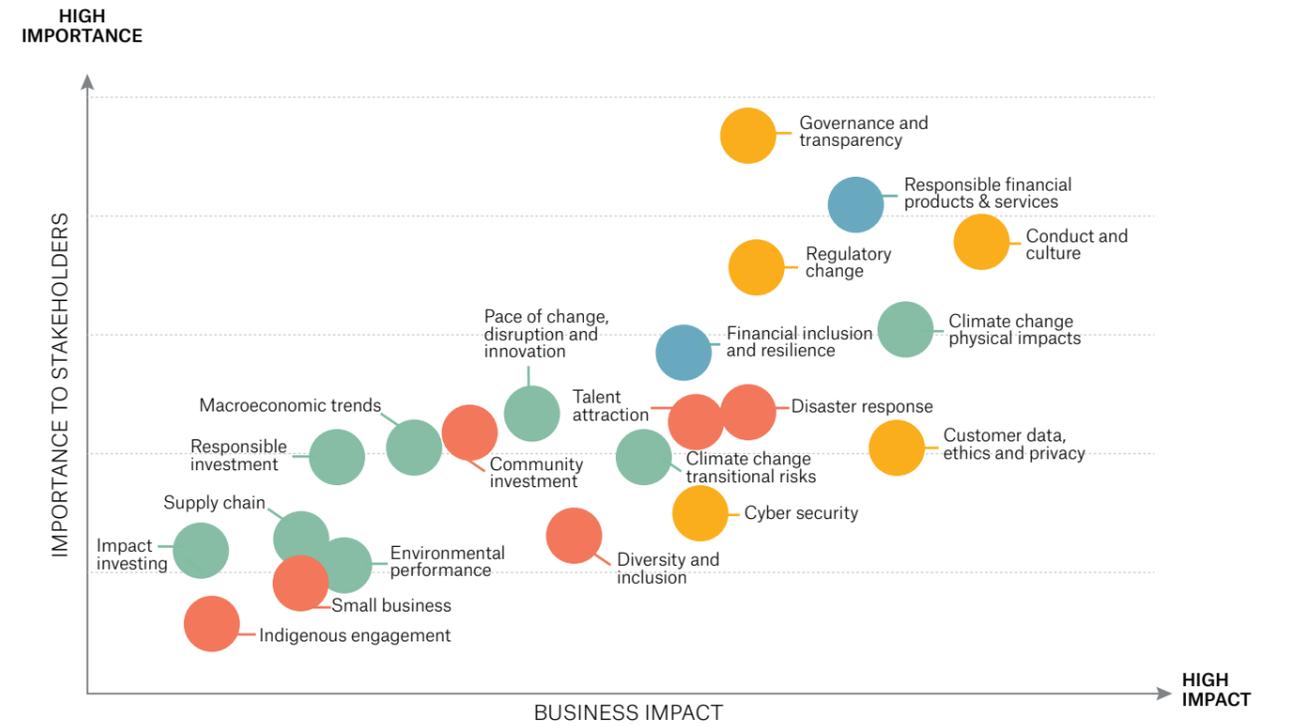
- in-depth interviews with Suncorp senior leaders
- in-depth interviews with a range of key stakeholders, including investors, community representatives and consumer advocates
- an internal validation workshop with representatives across Suncorp to verify the most material ESG risks and opportunities, taking into account the short, medium and long-term potential impacts of each topic.

The matrix on page 20 shows the 21 most material topics, based on their importance to stakeholders and the potential impact on our business. The most material topics shape our overarching approach to corporate responsibility, including our principles and commitments.

The major shifts from the 2016-17 material topics include the increasing importance to stakeholders of governance and transparency, as well as regulatory change. Conduct and culture have also increased in importance, alongside responsible financial services and financial inclusion.

Suncorp proactively manages these risks and opportunities through our commitment to corporate responsibility, and aims to integrate them into our corporate strategy, business planning and risk management processes.

## MATERIALITY ASSESSMENT



## TOP MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE TOPICS

### Trust and Transparency

**1 GOVERNANCE AND TRANSPARENCY**  
Board and senior management strategies to address and disclose key economic, environmental and social risks and opportunities

**3 CONDUCT AND CULTURE**  
Fair, ethical and appropriate behaviour and practices of directors, management and employees

**4 REGULATORY CHANGE**  
Change to industry regulation and flow-on impacts

**6 CUSTOMER DATA, ETHICS AND PRIVACY**  
Ethical use and control of customer data and protection of customer privacy

### Sustainable Growth

**5 CLIMATE CHANGE PHYSICAL IMPACTS**  
Adapting to the physical impacts of climate change such as severe weather events, rising sea levels, shifting temperature zones

**10 CLIMATE CHANGE TRANSITIONAL RISKS**  
Risks and opportunities from the global economic and regulatory transition to a net-zero carbon economy by 2050

### Responsible Financial Services

**2 RESPONSIBLE FINANCIAL PRODUCTS & SERVICES**  
Financial products and services that provide value, are responsive, reliable and transparent and are marketed ethically

**7 FINANCIAL INCLUSION AND RESILIENCE**  
Access to suitable and affordable financial services

### Resilient People and Communities

**8 DISASTER RESPONSE**  
Fast, appropriate and visible support for communities in times of disaster

**9 TALENT ATTRACTION**  
Talent attraction and retention, and development of appropriate skills for employees

- |   |                                     |
|---|-------------------------------------|
| <b>11</b> Cyber security                            | <b>16</b> Responsible investment    |
| <b>12</b> Pace of change, disruption and innovation | <b>17</b> Supply chain              |
| <b>13</b> Community investment                      | <b>18</b> Environmental performance |
| <b>14</b> Diversity and inclusion                   | <b>19</b> Small business            |
| <b>15</b> Macroeconomic trends                      | <b>20</b> Impact investing          |
|   | <b>21</b> Indigenous engagement     |

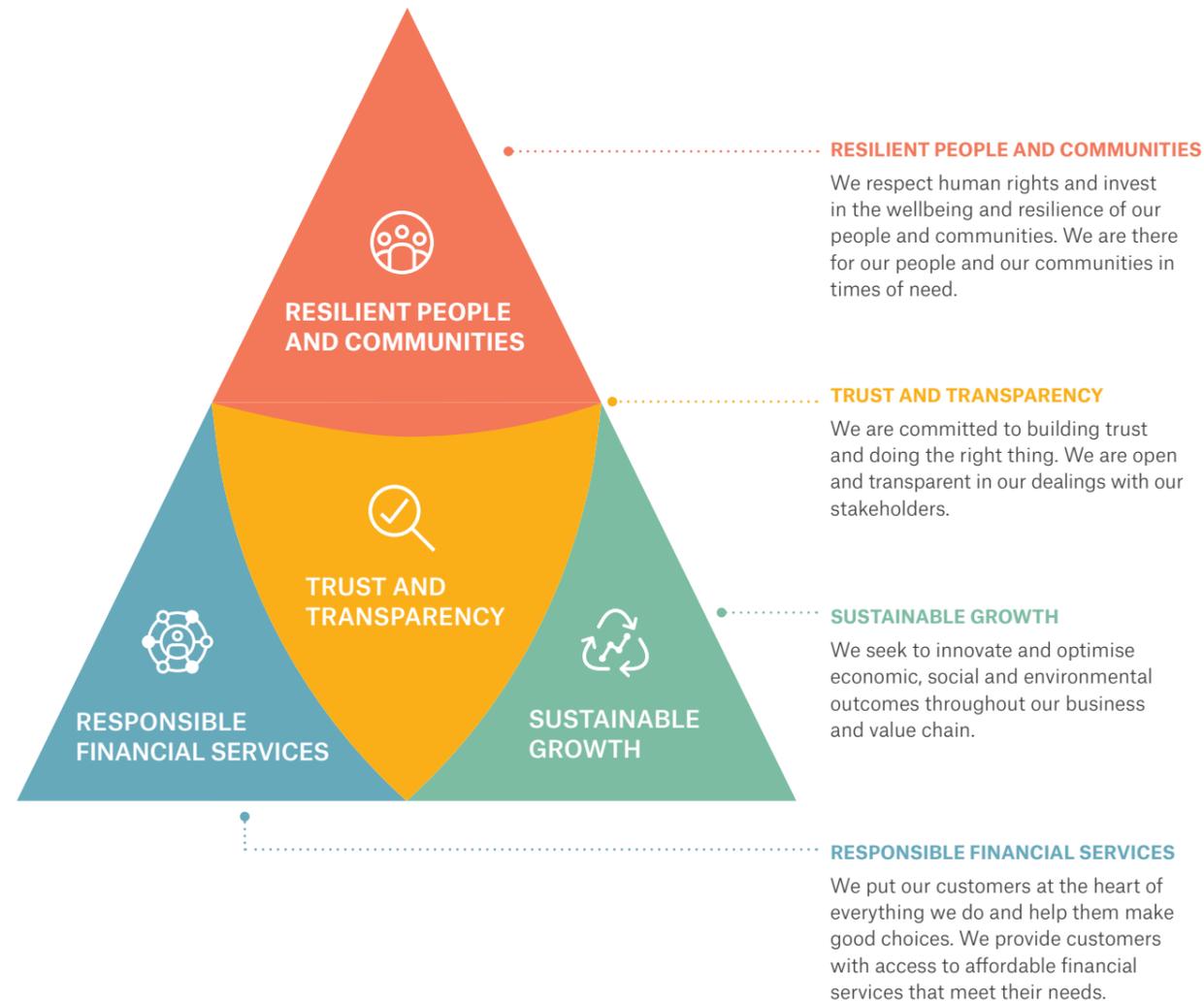
# Corporate Responsibility Principles

Suncorp is committed to improving business practices to optimise economic, social and environmental outcomes, as we strive to earn trust and maintain our social licence to operate.

Our commitment to corporate responsibility contributes to Suncorp's overarching purpose to create a better today for all stakeholders. Suncorp's most material ESG topics are reflected through four key principles that have been endorsed by Suncorp's Board:

Trust and Transparency, Responsible Financial Services, Sustainable Growth and Resilient People and Communities. The way these principles are being integrated into our business policies, planning and activity is outlined in this Review.

## THE PRINCIPLES WE ASPIRE TO



## Trust and transparency

We are committed to building trust and doing the right thing.  
We are open and transparent in our dealings with our stakeholders.

### OUR APPROACH

As a financial services provider, maintaining the trust of our stakeholders is essential. We take seriously the trust our stakeholders place in us and proactively engage with them to understand the things that matter most. We aim to increase the transparency of our business operations and performance, and the decisions we make.

### CODE OF CONDUCT

Suncorp's Code of Conduct ensures we do the right thing by Suncorp, our people, customers, suppliers, partners, intermediaries, shareholders and each other. It sets the standards for how we should act and interact with others, and is underpinned by our policies, standards, procedures and guidelines.

The Code also sets out the consequences of non-compliance with the expected standards. It's a powerful guide to being the best company we can be.

Our Code applies to all employees, officers and directors within Suncorp. We also expect that anyone representing or working with us — partners, agents, suppliers — will abide by our Code.

The Code of Conduct is approved by the Suncorp Board and all employees complete Code of Conduct compliance training annually. A copy of our Code of Conduct is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### OUR COMPASS

Suncorp's purpose is to create a better today for our customers, people, communities and shareholders. We do this through four essential behaviours which guide how we work together, and meet our customers' needs.

Our Compass encourages us to kick goals, think big, show we care and be our best. These behaviours are embedded in our people practices and the Suncorp Code of Conduct.

### REGULATORY COMPLIANCE AND ENGAGEMENT

Suncorp operates in a highly regulated industry and manages compliance with requirements overseen by key regulators including the Australian Securities & Investments Commission (ASIC), APRA, the Australian Transaction Reports and Analysis Centre, the Australian Securities Exchange (ASX), the Reserve Bank of Australia, the Reserve Bank of New Zealand, the Financial Markets Authority (FMA) in New Zealand and other financial regulators. We are members of the Financial Ombudsman Service (FOS) in Australia and the FMA in New Zealand, and comply with other strict regulations set out by State regulators.

We have a range of policies in place to ensure our people and systems comply with regulatory requirements. These include our:

- Code of Conduct
- Compliance Management and Regulator Engagement Policy
- Conflicts of Interest Policy
- Disclosure Policy
- Fit and Proper Policy
- Privacy Management Policy
- Anti-Money Laundering, Counter-Terrorism Financing (AML CTF) and Sanctions Policy
- Securities Trading Policy
- Whistleblower Policy
- Equal Employment Opportunity and Diversity Policy
- Safety and Wellbeing Policy
- AGM Direct Voting Regulations.

Suncorp is also a signatory to the General Insurance Code of Practice, Life Insurance Code of Practice and the Code of Banking Practice.

The Board has accountability for the oversight of compliance management and actively promotes a risk-aware culture through the ERMF.

Compliance risks are reported to the Board quarterly through the Board Risk Committee. The ERMF links risk appetite to our strategy and business plan, and sets out accountabilities, governance arrangements and processes for risk management within the Three Lines of Defence model.

### OUR COMPASS



#### THINK BIG

We shoot for the stars. We make things easy. We strive to do better.

#### KICK GOALS

We take action. We deliver. We own it.

#### SHOW YOU CARE

We are one team. We are trustworthy and do the right thing. We are genuine and treat everyone fairly.

#### BE YOUR BEST

We are curious. We find solutions. We have the courage to be different.

## TRUST AND TRANSPARENCY

During 2017–18 Suncorp deployed the Enterprise Compliance Strategy, which is designed to enhance Suncorp's management of compliance obligations and, ultimately, prevent breaches.

Our Internal Audit team independently tests and verifies the effectiveness of Suncorp controls, risk standards and compliance, validates our ERMF and provides written reports to both the Board Audit and Board Risk Committees. More information on Suncorp's approach to risk management is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### REGULATORY BREACHES AND REMEDIATION

We put the highest priority on measures aimed at ensuring compliance with our regulatory obligations and effective risk management practices designed to mitigate the risk of breaches. We operate within a strict regulatory framework that guides how, and when, to conduct client reviews and remediation if there is a compliance failure or legislative breach.

Suncorp continues to look for ways to improve our risk management approach including responding to changing regulatory requirements and community expectations.

We are currently working with ASIC to remediate customer outcomes from our former financial planning business, Guardian Advice. During 2017–18 significant progress was made on the assessment of financial advice previously provided by authorised representatives of Guardian, as well as finalising remediation outcomes for affected customers. Suncorp is on track to complete this by the end of February 2019.

We are also working closely with ASIC to remediate customers who were sold add-on insurance products from one of our subsidiaries, MTA Insurance. In the best interests of our customers, Suncorp has discontinued the sale of these products. We are committed to delivering high-quality products that provide good customer outcomes, and will continue to work closely with ASIC to endeavour to meet community and regulator expectations.

### GOVERNMENT ENGAGEMENT AND COMMUNITY EXPECTATIONS

Suncorp works constructively with local, state, and federal governments to deliver outcomes that balance the interests of customers, shareholders and the broader community.

We proactively participate in government inquiries to help shape policy that delivers better customer outcomes and improves competition. This year we made 19 submissions to government inquiries.

**The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry** — Suncorp is committed to supporting the Royal Commission and welcomes any measures that deliver improved outcomes for customers.

**The Productivity Commission (PC) Inquiry into Competition in Australia's Financial System** — Suncorp was actively involved in a 12-month PC review that recommended ways to address the unlevel playing field and improve consumer outcomes while maintaining financial and economic stability.

**Banking Executive Accountability Regime (BEAR)** — Suncorp and our executives fully support and will implement the BEAR, which introduces new standards of accountability for banks' senior executives, administered by APRA.

**Northern Australia Insurance Premiums Taskforce** — The Australian Government's expert taskforce, the Northern Australia Insurance Premiums Taskforce, handed down its final report in December 2017. The Taskforce found that natural hazard mitigation is the only sustainable response to improve insurance affordability in northern Australia. Suncorp made a submission to the Taskforce in 2016 that strongly supported mitigation. We welcomed the Taskforce's findings and will continue to support any increased mitigation effort.

All of Suncorp's publicly available government submissions can be found at [suncorpgroup.com.au/news/public-submissions](http://suncorpgroup.com.au/news/public-submissions). Further information on Suncorp's Protecting the North initiative, which aims to tackle insurance affordability in north Queensland, is available at [suncorp.com.au/insurance/safety/cyclone-resilience](http://suncorp.com.au/insurance/safety/cyclone-resilience)

### Political donations

We have updated our position statement on Political Engagement and during 2017–18 Suncorp made no political donations. A copy of the position statement is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### INDUSTRY REFORM

Suncorp actively works with industry associations such as the ABA, Insurance Council of Australia (ICA), Financial Services Council (FSC) and Business Council of Australia to improve standards, build trust and achieve better customer outcomes. Importantly, this includes customers who may be vulnerable or experiencing hardship.

In 2018 Suncorp continued its involvement in the ABA's Banking Reform Program, which sets out nine focus areas to improve the culture and conduct of banks while delivering better customer outcomes. We are committed to implementing the reforms within the agreed timeframes.

We strongly support the ABA's Code of Banking Practice, which has been updated after an extensive review to better meet customer needs and community expectations for transparency and conduct. The revised Code has been approved by ASIC and Suncorp is committed to its implementation by 1 July 2019.

As Chair of the ICA's Code Governance Committee, Suncorp led the review of the General Insurance Code of Practice during 2017–18, to better reflect the industry's strong commitment to improving customer outcomes. The new Code mandates standards of service beyond our existing statutory obligations, and makes provisions for those who may be experiencing a mental illness, financial hardship, family violence and for whom English is a second language. The updated General Insurance Code of Practice is expected to come into effect from 1 January 2019.

Suncorp took a leadership role in advocating for change to NSW CTP insurance, which saw the average cost of a Green Slip lowered by \$124. In the ACT, the Territory Government's Citizens' Jury recommended the introduction of no-fault (universal)

coverage. Suncorp will continue to campaign for necessary reforms to CTP in Queensland to ensure the system is fairer and more sustainable.

Suncorp continued to implement the FSC's Life Insurance Code of Practice, which also includes provisions for vulnerable customers experiencing hardship. More information on our commitments is available at [suncorp.com.au/insurance/life/fsc-code-of-practice](http://suncorp.com.au/insurance/life/fsc-code-of-practice)

### SUNCORP'S CUSTOMER ADVOCATE OFFICE

Suncorp's Customer Advocate was appointed in 2017 to champion the voice of the customer across the organisation. The Executive General Manager Customer Advocate presents to the Board Risk Committee on the Office's activities.

During 2017–18 the Office:

- hosted a Consumer Group Day to learn more about the issues impacting consumers
- helped establish the industry's Customer Advocate Forums to bring banks together to collaborate on solving customer issues
- continued to develop the Customer Advocate's processes and engaged with front-line teams to better understand and prevent complaints
- provided our people direct access to Suncorp's Customer Advocate Office to raise concerns confidentially
- supported the redesign of customer engagement processes for insurance claims lodgement and bank hardship cases
- continued to support implementation of our Financial Inclusion Action Plan
- partnered with Uniting Kildonan to complete an internal Vulnerable Customer Review
- progressed our Vulnerable Customer Strategy and new Vulnerable Customer Reporting system.

The Office reviewed 15 complex and sensitive complaints to ensure a quick resolution for our customers. In an industry first, our Customer Advocate role extends beyond banking to include our insurance business in Australia.



### TAX TRANSPARENCY

In 2015–16 Suncorp adopted the Australian Board of Taxation's Voluntary Tax Transparency Code and released our 2017 Tax Transparency Report earlier this year. This report details the company's tax contributions in Australia and New Zealand for the 2016–17 financial year. Suncorp's Tax Transparency Report is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

99%

EMPLOYEES COMPLETED CODE OF CONDUCT TRAINING

32%

EFFECTIVE INCOME TAX RATE IN 2017-18

## TRUST AND TRANSPARENCY

### DATA SECURITY AND PRIVACY

#### Cyber security

Customers are increasingly using digital channels to manage their finances and our people rely on technology to manage the day-to-day operations of our business. Protecting and managing data is critical to maintaining the trust and confidence of our stakeholders, and building the resilience of our business.

Suncorp has a suite of security technologies and processes in place to protect our customers and our organisation from data security threats. These are designed by a dedicated Security function within our Chief Information Office. The Technology Risk Management Committee provides oversight and visibility of cyber risk and ensures alignment with our risk appetite and broader ERMF.

Suncorp implements measures including robust firewall protection, automatic security features and real-time fraud monitoring to detect threats, and works closely with the banking industry, the Australian High-Tech Crime Centre and the Australian Federal Police. Our Fraud Detection Team ensures we respond immediately to suspicious account activity and provides early detection of potential cases of fraud. We are members of the Australian Computer Emergency Response Team (CERT Australia), which notifies companies of online criminal activity globally.

Suncorp has an established incident management plan that includes disaster recovery and business continuity. A dedicated Critical Incident Management team responds to and mitigates against critical IT incidents and the Suncorp Incident Response Team coordinates communications and response activities.

Suncorp's Internal Audit team regularly conducts information and cyber security audits across operational, policy, and governance aspects. The Suncorp Board has ultimate responsibility for cyber security and cyber risks are reported to them at least quarterly through the Board Risk Committee.

#### Suncorp's Privacy Policy

Suncorp's Privacy Policy sets out how we collect, use, disclose, store and secure personal information. Our people complete mandatory privacy training annually to help embed a strong risk culture and promote privacy awareness. In February 2018 the Notifiable Data Breaches scheme commenced, which mandates organisations to notify affected individuals of a data breach that is likely to result in serious harm. Suncorp has reviewed its processes and procedures to ensure compliance with this scheme. Suncorp's Privacy Policy is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

### OUR PERFORMANCE

OBJECTIVE	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Engage meaningfully with our stakeholders	<ul style="list-style-type: none"> <li>★ Refreshed our materiality assessment of ESG topics</li> <li>★ Hosted a Consumer Group Day to better understand consumer issues</li> <li>★ Reviewed options for a social licence to operate measure</li> </ul>	<ul style="list-style-type: none"> <li>➔ Conduct a full materiality assessment of ESG topics</li> <li>➔ Implement a stakeholder survey and establish a social licence to operate or trust metric</li> </ul>
Respond strategically to material ESG topics	<ul style="list-style-type: none"> <li>★ Implemented our corporate responsibility activity as committed in the 2016-17 Annual Review</li> <li>★ Implemented the Life Insurance Code of Practice</li> <li>★ Led an industry-wide review of the General Insurance Code of Practice</li> <li>★ Participated in the development of a revised Code of Banking Practice</li> <li>★ Updated our Political Engagement Policy to no longer permit political donations or contributions</li> </ul>	<ul style="list-style-type: none"> <li>➔ Further integrate our corporate responsibility principles into strategy and risk management processes</li> <li>➔ Implement the revised Banking and General Insurance Codes of Practice</li> <li>➔ Continue to implement the ABA Banking Reform Program</li> </ul>
Communicate transparently on our performance	<ul style="list-style-type: none"> <li>★ Completed a review of non-financial performance metrics and disclosures</li> <li>★ Established new baseline measurements and increased our disclosure of non-financial performance</li> <li>★ Published our 2016-17 Suncorp Tax Transparency Report</li> </ul>	<ul style="list-style-type: none"> <li>➔ Publish targets for key non-financial performance metrics</li> <li>➔ Publish our 2017-18 Tax Transparency Report</li> </ul>



### CASE STUDY

## SUNCORP'S CONSUMER GROUP DAY 2017

In 2017 Suncorp hosted a Consumer Group Day to learn more about the issues impacting consumers.

In total, 14 consumer groups including FOS, Financial Counselling Australia, Good Shepherd Microfinance, Uniting Kildonan and Brotherhood of St Laurence attended alongside senior executives from Suncorp and our Customer Advocate. Discussions on the day provided valuable insights into how we can improve our complaints processes, provide better credit protections and develop a digital strategy that considers the needs of vulnerable customers.

Sue Fraser, Uniting Kildonan's Senior Manager of Enterprise Partnerships and Development, attended Suncorp's Consumer Group Day.

"It's really important to understand the issues themselves, how they are created and to address the root cause so we can help customers before they experience difficulty or reach crisis," Sue said.

"It's great to see Suncorp taking action and engaging with the community about how they can provide better solutions for customers."

Suncorp provided an open forum for issues to be raised directly with Suncorp's representatives.

"The consumer groups have a unique perspective that provides enormous value to us as a business on how we can better serve our customers," David Carter, Banking & Wealth CEO, said.

"There is no better way to fulfil our purpose to create a better today than by doing the right thing, every time for our customers — particularly in those instances where we are serving vulnerable customers."

Feedback from the day will help inform amendments to products, policies and strategies, including our Financial Inclusion Action Plan and Vulnerable Customer Strategy.



Suncorp works with consumer groups to learn how we can better serve our customers.



## Responsible financial services

We put our customers at the heart of everything we do and help them make good choices. We provide customers with access to affordable financial services that meet their needs.

### OUR APPROACH

As an essential services provider, Suncorp has a responsibility to provide access to affordable financial solutions that meet the needs of our customers. We are committed to providing the right solutions for our customers and helping them to build their financial resilience.

#### BUILDING OUR CUSTOMER CULTURE

Suncorp is embedding a customer-centric culture through our Elevate the Customer program, which equips our people to deliver better experiences for customers, partners, intermediaries, and each other. The program includes:

- Service Language that clearly defines what our customers expect – Be Genuine, Make It Easy, Own It and Find Solutions
- a Customer Immersion initiative for leaders to spend time with customer-facing teams to understand how the decisions we make every day affect our customers
- simple Service Rules for our store network to encourage excellence in every interaction
- training 5,000 of our people to deliver better customer experiences over the phone
- a 400-strong Customer Guardian network committed to driving positive change in their teams.

#### RESPONDING TO NATURAL DISASTERS AND WEATHER EVENTS

Suncorp received more than 88,300 insurance claims in 2017-18 in response to weather events experienced across Australia.

Our specialist Customer Support Teams were deployed to Mt Waverley in Victoria

after hailstorms, Ingham in Far North Queensland following severe weather and flooding, and to the Bega Recovery Centre after the devastating Tathra bushfires. Our 80-strong on-the-ground team helped customers with their claims, provided emergency cash payments and arranged temporary accommodation, allowing customers to begin the recovery process immediately.

In New Zealand, Vero Insurance's highly experienced claims team dealt with several major natural hazard events, including Cyclone Gita and severe weather that affected the country in July 2017.

#### RESPONDING QUICKLY TO COMPLAINTS

Suncorp has clear processes to support customers when there is a concern or complaint, in compliance with guidelines and response timeframes mandated by ASIC and the General Insurance, Life Insurance and Banking Codes of Practice. All customer-facing teams complete mandatory complaints handling and dispute resolution training annually.

We know we don't always get things right and there is always room to improve. Even with over 90 per cent of complaints received by our front-line teams being resolved within five business days, we are determined to continue to improve and focus on faster resolution. We have introduced programs to gain deeper insights into customer experiences, identify and fix issues before they escalate, and build a culture where complaints are viewed as an opportunity to learn and improve. These include our:

- **One Suncorp Customer Feedback program** to help recognise, acknowledge, resolve, manage and capture customer feedback, complaints and compliments

- **Training for our front-line teams** to handle sensitive conversations with customers in challenging situations, particularly when customers are experiencing hardship
- **Pain Points Program** to help us understand and address the root cause of customer complaints, identify recurring themes and then make improvements to prevent a recurrence
- **Concierge Pathways** to prioritise complaints for vulnerable customers and improve referral pathways for those in difficult situations
- **Accelerating Change Forums** with Suncorp executives to hear directly from customer-facing teams on common customer, process, training or system issues.

If a customer is not satisfied with the outcome offered by our Customer Relations team, they can have it reviewed by FOS or the Office of the Australian Information Commissioner in Australia, and the FMA in New Zealand free of charge.

More information on Suncorp's customer relations processes can be found at [suncorp.com.au/contact-us/customer-relations](http://suncorp.com.au/contact-us/customer-relations)

#### BUILDING FINANCIAL RESILIENCE

There are times when our customers face financial stress and, in some cases, experience financial hardship. Suncorp aims to provide customers with access to suitable and affordable financial services to help build their financial resilience and wellbeing.

In 2018 we refreshed our Financial Inclusion Action Plan to build on our efforts to help Australians at risk of financial exclusion. Over the past year we have continued to develop and expand access to insurance and banking products and services designed to assist low-income earners. We have also invested in our relationships with financial counselling services and consumer advocates.

During 2017-18 we developed our financial resilience and vulnerable customer training strategy in three tranches:

- **Financial Inclusion Awareness** for employees to build understanding of financial inclusion, resilience and wellbeing
- **Vulnerable Customer Training** for front-line teams, which aims to build capability to identify and help vulnerable customers and refer them to external partners for specialist support when required
- **Specialist Capability Building** and coaching for teams working with vulnerable customers every day, equipping them with skills to help customers in highly stressful situations, and strategies for their own personal resilience.

We have committed to developing a Responsible Banking and Insurance Policy that will outline our approach to providing accessible and affordable products and services, as well as meeting the needs of vulnerable customers. This will include clear guidelines for responding to customers facing difficult situations such as domestic violence, mental health issues and financial hardship.

#### Vulnerable Customer Review

In 2017 we worked with Uniting Kildonan to conduct a review of our policies and processes to support customers who are vulnerable or facing financial hardship. Suncorp gained a stronger understanding of the needs of these customers and is committed to implementing the recommendations to improve our processes. We have developed a toolkit for our people, expanded referrals to support services, and invested in measures to help us identify customers who may be struggling and support them before they reach financial crisis. To better support our Bank customers who are experiencing hardship, we have simplified documentation requirements, improved communications, and upskilled our people to better manage difficult situations.



#### FINANCIAL INCLUSION ACTION PLAN

Suncorp's 2018-20 Financial Inclusion Action Plan is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

+7.3

CONSUMER NET PROMOTER SCORE<sup>1</sup>

92%

LEVEL 1 COMPLAINTS RESOLVED IN 5 DAYS<sup>2</sup>



IMPLEMENTED OUR FINANCIAL INCLUSION ACTION PLAN



## RESPONSIBLE FINANCIAL SERVICES

### BUILDING ACCESS TO AFFORDABLE FINANCIAL SERVICES

We have a suite of products aimed at low-income earners, and have made significant investments in our promotion, distribution and communication channels to ensure accessing the right products is easier.

— **Everyday Essentials** is a day-to-day transaction account for lower-income customers and concession and health

care card holders. With no transaction or account-keeping fees, the Everyday Essentials Account makes banking accessible for everyone.

— **Suncorp Everyday Super** is a simple, online superannuation account with no minimum account balance. Everyday Super is designed to take the hassle out of superannuation, offering easy investment choices with options that automatically adjust to reflect customers' changing needs.

— **Essentials by AAI** is about making insurance products more accessible and providing people with options for affordable cover that suits their needs. Essentials' key features include low premiums, flexible payment options, no standard excess, acceptance of pre-existing damage for motor and temporary accommodation options for contents insurance customers.

## OUR PERFORMANCE

### CUSTOMER SATISFACTION AND ADVOCACY

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Improve the satisfaction and advocacy of our customers	✔ +7.3 Consumer Net Promoter Score	<ul style="list-style-type: none"> <li>★ Launched our One Suncorp Customer Feedback program for complaints and compliments</li> <li>★ Reviewed our bank hardship processes to improve customer experience</li> </ul>	<ul style="list-style-type: none"> <li>➔ Develop a Responsible Banking and Insurance Policy to strengthen our approach to responsible financial services practices</li> </ul>

### FINANCIAL INCLUSION AND RESILIENCE

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Improve the financial inclusion and financial resilience of our customers	<ul style="list-style-type: none"> <li>✔ 3,812 customers assisted during times of financial hardship</li> <li>✔ 1,855 customers with Essentials by AAI insurance</li> <li>✔ 23,904 Everyday Super members with a balance</li> <li>✔ 9,606 customers with Everyday Essentials bank account</li> </ul>	<ul style="list-style-type: none"> <li>★ Implemented and refreshed our Financial Inclusion Action Plan</li> <li>★ Developed partnerships with Financial Counselling Australia, Wesley Mission Sydney and Darcy Street Project to support financial literacy and training, and employment programs</li> <li>★ Completed a Vulnerable Customer Review (with Uniting Kildonan) of Suncorp processes and support for customers who are vulnerable or in hardship</li> <li>★ Launched financial inclusion training for Suncorp's people, and trialled intensive training for our specialist teams</li> <li>★ Piloted an employment program for refugees and new migrants</li> </ul>	<ul style="list-style-type: none"> <li>➔ Implement the recommendations of the Vulnerable Customer Review</li> <li>➔ Implement financial inclusion training strategy</li> <li>➔ Further develop referral pathways for financial literacy and financial counselling services</li> <li>➔ Further develop affordable financial services for vulnerable and culturally diverse communities</li> <li>➔ Further develop employment pathways at Suncorp for vulnerable and culturally diverse communities</li> </ul>

### CASE STUDY

## PROVIDING EMPLOYMENT FOR REFUGEES AND MIGRANTS



This year Suncorp partnered with Multicultural Development Australia (MDA) to establish an employment pathways program. The program provides job opportunities for refugees and migrants with humanitarian needs, as well as cultural training, mentoring and volunteering programs for our people.

Arnold Ayuya joined Suncorp through this partnership, and now works in our contact centre.

"There's not a day that goes by that I don't think about how far I have come, considering where I've come from. Not too long ago, the dream of having a career was so distant it was barely believable. To think I'd have a chance to have a career like this is a great blessing," Arnold said.

"I've grown and will continue growing as part of this team. I'm grateful that I can help the team grow too. Being involved in the day-to-day activities and knowing that my contribution is valued is very fulfilling."

Suncorp is incredibly proud of Arnold and others who have joined us through the MDA pathway.



Arnold Ayuya joined Suncorp through our partnership with MDA.

### CASE STUDY

## MAKING COMMUNITIES STRONGER IN PITT STREET MALL

In April 2018 Suncorp joined forces with Wesley Mission Sydney and Darcy Street Project to promote financial resilience and provide education and employment pathways for people in Sydney from disadvantaged backgrounds.

Through our partnership with Wesley Mission, Suncorp hosts free in-store financial literacy workshops, commencing with our Pitt Street Mall Discovery Store in Sydney. Darcy Street Project manages our in-store café and provides guidance to Suncorp-sponsored hospitality students as they complete their work experience by serving coffee to customers and visitors.

"The hands-on work experience gained through Suncorp's partnership with Darcy Street Project is instrumental in helping these young people gain a hospitality qualification. It has given them the confidence boost needed to be on a positive path again," Marelda Kastaman, hospitality trainer, said.

Suncorp will continue to work with both organisations, delivering 12 free financial literacy workshops over the next 12 months and supporting a further 32 students to gain qualifications and employment.



Suncorp's Discovery Store has become a training ground for Wesley Mission hospitality students.



## Sustainable growth

We seek to innovate and optimise economic, social and environmental outcomes throughout our business and value chain.

### OUR APPROACH

To create sustainable value, we adapt our business to evolving market conditions. Suncorp takes a long-term view, makes balanced business decisions and actively responds to changing economic, social and environmental conditions. We manage our impacts to ensure the sustainable growth of both our business and the communities in which we operate.

#### SUNCORP'S ENVIRONMENTAL FOOTPRINT

Suncorp believes in conducting business in a way that protects and sustains the environment for current and future generations. We have a responsibility to continue to reduce our environmental impact and be transparent about our environmental performance.

In 2018 Suncorp published an Environmental Performance Plan (EPP) that aims to proactively reduce the environmental footprint of our business operations, foster partnerships, engage and educate our people, and track and openly disclose our environmental performance. The EPP outlines specific actions and timeframes for 2018-19 and will be refreshed annually.

Suncorp continues to modernise the way we work, while reducing our impact on the environment. Recent commercial office consolidations in Sydney and Auckland have integrated sustainability principles and employee wellness standards to deliver a flexible workspace for the future. The next phase of our real estate consolidation plan includes Adelaide and the new corporate headquarters in Brisbane.

Suncorp's EPP is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

#### OUR RESPONSE TO CLIMATE CHANGE

Suncorp recognises that climate change presents strategic and financial risks and opportunities for our organisation and our community. Suncorp believes climate change is a shared global challenge and we are committed to playing our part in reducing carbon emissions, as well as preparing for the physical impacts of climate change and the transition to an economy that achieves net-zero carbon emissions by 2050.

We accept the international scientific consensus presented by the Intergovernmental Panel on Climate Change:

"The earth's mean surface temperature is increasing and it is extremely likely the dominant cause of the observed warming is the effect of human activity on the climate system. In recent decades, changes in climate have caused impacts on natural and human systems on all continents and across the oceans."<sup>1</sup>

We support the ratification of the United Nations Framework Convention on Climate Change Paris Agreement by the governments of Australia and New Zealand, including their commitments to significantly reduce emissions below 2005 levels before the year 2030. The Paris Agreement commits almost every country to keeping global temperature rise well below 2° Celsius, and to pursue efforts to limit temperature rise further to 1.5° Celsius relative to pre-industrial levels.

#### Climate Change Action Plan

Suncorp's Climate Change Action Plan (CCAP) received Board approval and was published in April 2018. It forms the basis for maturing Suncorp's assessment, management, and disclosure of climate change risks and opportunities using the framework published by the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD). Suncorp is committed to

meeting the recommendations of the TCFD and integrating climate change into governance, risk management and strategy processes. The CCAP also supports the implementation of Suncorp's Responsible Investment Policy, which includes commitments to increase climate-related investment and apply a shadow carbon price to manage risk.

Our CCAP includes:

1. strengthening our governance processes including assessment of climate risk
2. reducing our environmental footprint
3. increasing community resilience
4. accelerating emerging opportunities and climate-related innovation
5. tracking and openly disclosing our climate-related performance.

Suncorp's CCAP is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

#### STRENGTHENING CLIMATE-RELATED DISCLOSURES

##### Governance

Suncorp's Board oversees the management of climate change risks and opportunities through the Board Risk Committee in Australia and the Suncorp New Zealand Board Audit and Risk Committee. Suncorp's CEO & Managing Director, supported by Suncorp's Chief Risk Officer and Senior Leadership Team, is accountable for Suncorp's actions and commitments to embed climate change into risk management, business strategy, business planning and budgeting processes and frameworks, as outlined in our CCAP.

Suncorp's Climate Change Leadership Group is responsible for delivering Suncorp's commitments under our CCAP and EPP and is accountable to Suncorp's Corporate Responsibility Council and Senior Leadership Team. Numerous other subject matter experts from across the organisation are engaged through specialist working groups that feed into the Climate Change Leadership Group.

#### Risk management and strategy

Suncorp has an established risk management framework that governs the identification, management, control and monitoring of risks, including risks presented by climate change. Suncorp Group policies, supporting procedures and guidelines are reviewed at least annually. Key strategic and financial risks are identified during the annual business planning process and then assessed and considered at least quarterly through reporting to the Board Audit and Risk Committees. Suncorp also works with experts including universities, reinsurers and natural peril specialists on an ongoing basis to take a long-term view of pricing sufficiency.

We are strengthening our technical capabilities to assess and manage climate risks and opportunities, within established risk management frameworks. We are working to identify priority areas, appropriate physical and transition scenarios, and technical and capability needs to support scenario analysis and modelling. This work will inform a roadmap of future activity to assess short, medium and long-term climate-related risks and opportunities, including the actual and potential impacts of those risks and opportunities on our business, strategy and financial planning.

#### Metrics and targets

We have reviewed and improved our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions reporting boundaries and are exploring opportunities to improve our environmental performance and carbon emissions. Suncorp will set and publish targets for Scope 1 and Scope 2 GHG emissions reductions in 2019.

We publicly disclose information on our climate-related risks and opportunities to CDP, an independent, international not-for-profit organisation focused on transparency and environmental sustainability. Our latest CDP submission is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

Suncorp also reports GHG emissions and energy consumption in Australia under the *National Greenhouse Emissions Reporting (NGER) Act 2007* (Cth) annually.



#### CLIMATE CHANGE ACTION PLAN

Suncorp's Climate Change Action Plan is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)



**PUBLISHED OUR RESPONSIBLE INVESTMENT POLICY**



**PUBLISHED OUR CLIMATE CHANGE ACTION PLAN**

**7% ↓**

**REDUCTION IN GREENHOUSE GAS EMISSIONS<sup>1</sup>**

1. IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.

1. Australian core operations. Based on Scope 1 and Scope 2 emissions

**SUSTAINABLE GROWTH**

OUR PERFORMANCE

ENVIRONMENTAL SUSTAINABILITY

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Reduce Suncorp's environmental footprint	<ul style="list-style-type: none"> <li>7% reduction in electricity consumption<sup>1</sup></li> <li>6% reduction in fuel used in company vehicles<sup>1</sup></li> <li>12% reduction in air travel<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Published our 2018-19 Environmental Performance Plan, articulating our approach to environmental sustainability</li> <li>Piloted an environmental sustainability employee program</li> <li>Expanded the scope of our environmental performance reporting</li> </ul>	<ul style="list-style-type: none"> <li>Implement our Environmental Performance Plan</li> </ul>

CLIMATE CHANGE

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Reduce Suncorp GHG emissions	<ul style="list-style-type: none"> <li>7% reduction in GHG emissions<sup>1,2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Published our 2018-20 Climate Change Action Plan</li> <li>Improved the boundaries of our GHG emissions reporting to include New Zealand and Suncorp Insurance Ventures</li> </ul>	<ul style="list-style-type: none"> <li>Implement our Climate Change Action Plan</li> <li>Publish targets to reduce Scope 1 and Scope 2 GHG emissions</li> <li>Complete a climate-related risk and opportunity assessment</li> </ul>
Build customer and community resilience to natural disasters	<ul style="list-style-type: none"> <li>41,986 customer policies received premium reductions from Cyclone Resilience Benefit</li> </ul>	<ul style="list-style-type: none"> <li>Continued to implement Protecting the North and Cyclone Ready Streets program</li> <li>Supported the Queensland Government to pilot a \$20 million household cyclone resilience and mitigation scheme in north Queensland</li> </ul>	<ul style="list-style-type: none"> <li>Identify methodology for climate change scenario analysis</li> <li>Disclose our approach to climate change risk management, metrics, and targets</li> </ul>
Contribute to climate change mitigation		<ul style="list-style-type: none"> <li>Committed to invest \$15 million in renewable energy infrastructure</li> </ul>	
Prepare for a zero-carbon economy		<ul style="list-style-type: none"> <li>Committed to meeting the recommendations of the TCFD</li> </ul>	

RESPONSIBILITY IN OUR VALUE CHAIN

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Optimise our social and environmental impact	<ul style="list-style-type: none"> <li>87% of total assets under management (AUM) covered by Responsible Investment Policy</li> <li>89% of assets managed by United Nations Principles for Responsible Investment (UNPRI) signatories</li> <li>\$36 million in low-carbon investments</li> </ul>	<ul style="list-style-type: none"> <li>Released our Responsible Investment Policy</li> <li>Amended investment manager mandates to exclude tobacco and controversial weapons</li> <li>Introduced a shadow carbon price into our analysis of investment opportunities</li> <li>Appointed a proxy voting advisor and established a Responsible Investment Committee</li> <li>Embedded our Corporate Responsibility Principles in our Procurement Policy</li> <li>Refreshed our Supplier &amp; Partner Code of Practice</li> </ul>	<ul style="list-style-type: none"> <li>Continue implementation of Responsible Investment Policy</li> <li>Embed our Supplier &amp; Partner Code of Practice and progress our approach to responsible procurement</li> <li>Develop a Responsible Insurance Policy and Responsible Banking Policy</li> <li>Explore opportunities for impact investing</li> <li>Explore opportunities for social procurement</li> </ul>

RESPONSIBLE SUPPLY CHAIN

Suncorp ensures strong governance of procurement activities and is committed to actively managing the environmental and social risks and opportunities in our supply chain.

In 2018 we worked with our suppliers to refresh our existing Supplier & Partner Code of Practice to ensure it considers and supports our environmental and social priorities. The standards expected of our suppliers in the new Code align with Suncorp's Code of Conduct and ensure our supply chain is cost effective, innovative, responsible, fair and manages risk appropriately. Suncorp's Supplier & Partner Code of Practice is available at [suncorpgroup.com.au/about/procurement](http://suncorpgroup.com.au/about/procurement)

RESPONSIBLE INVESTMENT

Suncorp's Responsible Investment Policy received Board approval and was launched in August 2017. It details our approach to the long-term sustainability of investment returns and management

of the ESG risks and opportunities in our investment portfolios. It ensures ESG considerations are factored into investment manager selection and the evaluation of investment risks and opportunities. During 2017-18, mandates with external investment managers were amended to exclude tobacco and controversial weapons (land mines, cluster munitions, biological and chemical weapons) and these were divested from our portfolios.

Additionally, a shadow carbon price was introduced to manage the risk of stranded assets as we transition to a net-zero carbon emissions economy. The criteria for screening potential and existing investments is outlined in our Responsible Investment Policy at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

Impact investing

As part of our Responsible Investment Policy, Suncorp is committed to participating in impact investing. We seek opportunities to engage in impact investments that are designed to

improve the resilience of communities, enhance the economic participation of individuals, or contribute to capability building with our investment partners.

In 2017 we invested in our first social impact bond. Issued by the Churches of Christ in Queensland, the YouthCONNECT Social Benefit Bond aims to reduce homelessness for young people exiting care arrangements in Logan, Ipswich and Townsville. The program also provides access to education, training and reliable support networks.

Proxy voting

In June 2018, Suncorp reviewed its proxy voting arrangements to ensure all proxies are voted in a manner consistent with Suncorp's Corporate Responsibility Principles. We appointed a proxy voting advisor who will exercise and oversee our votes based on Suncorp's proxy voting principles and standing instructions. We also established a Responsible Investment Committee which will govern voting decisions. Commencing in 2018-19, Suncorp will publish an annual summary of proxy voting activity.

CASE STUDY REDUCING OUR ENVIRONMENTAL IMPACT IN NEW ZEALAND

This year, Suncorp completed a project to consolidate its Auckland offices into a newly refurbished 'smart' workspace. The new workspace was designed to support a more flexible and collaborative style of working and improved energy efficiency, reflecting Suncorp's commitment to minimising its environmental impact.

Refurbishing the five floors to support new ways of working meant a lot of usable office furniture and other items were no longer needed.

"We wanted to make sure we disposed of the furniture responsibly, so we partnered with Junk Run to arrange the sustainable reuse of our old equipment," Sean Devoy, Real Estate Manager, said.

"Junk Run spent 639 hours collecting 1,430 cubic metres of commercial waste, which they then sorted and removed to put to good use in the community."

Fionna Gotts, CEO of Junk Run, said this kind of waste often ends up being broken down and recycled or sent to landfill.

"Suncorp's furniture was good quality and still in great condition. Junk Run was able to reallocate almost everything to community groups in need, both in New Zealand and the Pacific Islands.

"With this approach, everyone wins. Suncorp saved large volumes of quality furniture from landfill, and communities were given items they desperately needed," Fionna said.

Some of the items were used to replace dilapidated furniture at Queen Salote College, a girls' school in Nuku'alofa, Tonga.

Crockery and kitchen items were donated to Hospice New Zealand, where they will be sold to raise funds to support the vital services that Hospice provides.



Suncorp furniture was shipped to Tonga and used to fit out classrooms at Queen Salote College, a girls college in Nuku'alofa.

1. Australian core operations 2. Based on Scope 1 and Scope 2 emissions



## Resilient people and communities

We respect human rights and invest in the wellbeing and resilience of our people and communities. We are there for our people and our communities in times of need.

### OUR APPROACH

Suncorp is committed to building the social and financial resilience of our people and the communities in which we live. We aspire to have an inclusive work culture and diverse workforce. We support our people in the causes they care about and actively promote their involvement in the community.

#### SAFETY AND WELLBEING

In 2017-18 we refreshed our Safety and Wellbeing Policy to foster a culture of integrated, systematic management of safety and wellbeing. Over the past year, Suncorp:

- ran two safety awareness campaigns for Safe Work Month in October and Wellbeing Month in February
- offered individual wellbeing coaching services free of charge through the My Best Wellbeing program
- set good safety design principles for the new Sydney CBD office
- implemented enhancements to SafetyCentre, our online safety management system.

We ensure access and support for our people with a disability and proactively work with them and their carers to build an understanding of their needs. We offer features like flexible working arrangements, smart workplace design and access to innovative technology, tailored to the individual needs of our people with a disability.

The Suncorp Safety and Wellbeing Policy is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

#### LEARNING AND DEVELOPMENT

At Suncorp we recognise our people are our most-valued asset, and are committed to investing in their learning and development. We provide a range

of opportunities to support our people's current and future needs, and provide extensive training to elevate them professionally and personally. Our internal training has been designed to ensure everyone receives the right balance of professional, technical and on-the-job learning.

Our Online Learning Space provides access to a broad range of tools, resources, programs and support, including compliance training, marketplace learning, Moody's Analytics training, leadership courses, essential business skills training, study support and other development. Our people are also encouraged to pursue external learning opportunities, and are given time off and financial support to attend training, workshops and courses.

Using interactive technology, we are fundamentally changing the way we learn, problem solve and develop our capabilities. Suncorp has implemented a new social learning platform, Cognita, that will change how our workforce learns, adapts and grows. It is a significant investment in our people and their capabilities, and it recognises the power of the individual to take control of their learning and their career.

#### FUTURE-PROOFING OUR WORKFORCE

At Suncorp we want to help our people build the skills they need for the jobs of the future. Technology is changing the way we work and we know the workforces of the future will be smaller and more flexible, but better equipped to deliver great experiences, products and solutions. Through our new Future Ready program, we aim to help our people prepare for and embrace these changes.

Future Ready has identified the capabilities we need to deliver our business strategy, while developing our people and retaining talent. The program focuses on five emerging capabilities:

digital and data-driven insights; marketplace mindset; robotics and automation; rapidly enacting partnerships; and exploring and pursuing disruption. Suncorp has launched a Future Ready Academy, which will train and reskill our people in these new capabilities through an immersion program run up to four times a year. The first training program is scheduled to commence in September 2018 with 40 people enrolled. All of Suncorp's people also have access to the Future Ready portal and self-directed learning aligned to the emerging capabilities.

#### ENTERPRISE BARGAINING

The Suncorp Group Enterprise Agreement 2015 (EA) provides minimum terms and conditions of employment that successfully support the culture that makes Suncorp a great place to work. The EA applies across Australia to our employees below Executive General Manager and has been developed with the involvement of employees and representatives. It is accessible in Suncorp workplaces and is publicly available on the Fair Work Commission website. Our EA is complemented by additional employee benefits including learning opportunities, career development, market-competitive remuneration and product discounts.

#### DIVERSITY AND INCLUSION

At Suncorp we build inclusion by providing an environment where everyone is able to be themselves and feel valued, involved and respected for their perspectives and contribution.

In November 2017 Suncorp sponsored the Diversity Council Australia's first national index of Australian workplace inclusion. We also conducted the Inclusion@Work survey and are proud that our results compare favourably against the National Index, showing strength in both inclusive leadership and team inclusion.

#### Gender balance and pay equity

In 2017-18 Suncorp achieved gender balance across all leadership roles. With a recent Board appointment, Suncorp will reach 50 per cent female representation on the Board after our Annual General Meeting. In 2018 Suncorp was recognised as an Employer of Choice for gender equality by the Workplace Gender Equality Agency (WGEA) for the fifth consecutive year.

It's a matter of principle for Suncorp that all employees be paid fairly for the value they bring to our company and our customers. We conduct biannual reviews of pay equity to analyse and amend any irregularities. Our CEO & Managing Director is a WGEA Pay Equity Ambassador.

We also provide learning and coaching for women to develop and strengthen their career resilience skills through the Accelerate Women in Leadership program. This helps us grow our pipeline of female leadership talent.

The Suncorp Equal Employment Opportunity and Diversity Policy is available at [suncorpgroup.com.au/about/corporate-governance](http://suncorpgroup.com.au/about/corporate-governance)

#### Employee Resource Groups

Employee Resource Groups (ERGs) foster a diverse and inclusive workplace by serving as a resource for employees to come together around a common cause. Our current ERGs include: **Amplify**, an LGBTIQ+ and allies network supporting LGBTIQ+ inclusion; **Women Connect**, a women's network supporting gender equality and female leadership; **NZ Millennials**, a community for millennials to share ideas and engage with other young professionals in our NZ business; and **Life X**, a dedicated resource group for our mature-age workers.

#### Supporting age diversity

Suncorp supports our people aged 50 years and over through the Envisage program, which helps them make positive choices about planning the next phase of their lives and careers. Participants are encouraged to take a holistic view in planning for the future by focusing on career, identity, wellbeing, finances and relationships.

#### RECONCILIATION ACTION PLAN

During National Reconciliation Week in May, we launched our inaugural Reconciliation Action Plan, which marks the beginning of our journey in supporting the social and economic prosperity of Aboriginal and Torres Strait Islander peoples. Our Reconciliation Action Plan provides the foundation to strengthen relationships, deepen our respect for our First People's rich history, cultures and achievements, and promote sustainable opportunities within our sphere of influence. It also supports our aspirations to improve the cultural diversity of our organisation.

This year we established employment pathways for Aboriginal and Torres Strait Islander peoples. In partnership with CareerTrackers we placed two undergraduates in our intern program, and worked with a specialist agency to place three Indigenous candidates into roles within our Insurance business. Expanding this program forms an important part of our Reconciliation Action Plan.

We continued to support the Jawun Leadership Experience. Jawun places Suncorp leaders into Indigenous communities in the West Kimberley and Inner Sydney, using their skills and expertise to support Indigenous organisations and their leaders.



#### RECONCILIATION ACTION PLAN

Suncorp's Reconciliation Action Plan is available at [suncorpgroup.com.au/corporate-responsibility/reports](http://suncorpgroup.com.au/corporate-responsibility/reports)

51%  
WOMEN IN LEADERSHIP

\$10.1m  
INVESTED IN THE COMMUNITY

✓  
LAUNCHED OUR RECONCILIATION ACTION PLAN



## RESILIENT PEOPLE AND COMMUNITIES

### COMMUNITY INVESTMENT

In 2017-18 Suncorp invested \$10.1 million into our communities, which included \$8.4 million in cash contributions and \$968,000 in management costs to support our community programs. This also included the paid volunteer leave for 2,094 of our people to the value of \$701,000.

We reshaped our Community Investment Strategy to focus on making a positive impact on the most material social issues facing Suncorp, specifically financial resilience, social resilience and natural hazard resilience. Over time we aim to

transition more of Suncorp's community investment to support these areas.

### Employee giving program

Suncorp redesigned its employee giving program, Brighter Futures, to make it easier for our employees to make a difference on the issues they care about.

Sixteen local charity partnerships have been established across Australia and New Zealand, addressing key issues including mental health, domestic violence and cancer. Guided by more than 1,000 employee survey responses, the charity partners were selected by employee

committees representing our people across each of our regions.

In January 2018 Suncorp committed \$1 million annually to match our employees' donations, fundraising, crowdfunding and volunteering efforts. This year our employees have personally given money and time to the value of \$753,000, of which Suncorp matched \$393,000.

The new Brighter Futures was launched to employees in April 2018 through a series of events that gave our employees the opportunity to meet their local charity partners.



### OUR PERFORMANCE

#### SAFETY, WELLBEING AND DEVELOPMENT

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Keep our people safe and well	<ul style="list-style-type: none"> <li>0.9 Lost-time Injury Frequency Rate</li> <li>14.4% employee-initiated turnover</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced SafetyCentre, our online safety management system</li> <li>Conducted employee engagement pulse surveys</li> </ul>	<ul style="list-style-type: none"> <li>Conduct Employee Engagement Survey</li> </ul>
Build the skills our people need for the jobs of the future	<ul style="list-style-type: none"> <li>\$1,947 invested in learning and development per full-time equivalent (FTE)</li> </ul>	<ul style="list-style-type: none"> <li>Established the Cognita digital social learning platform</li> <li>Launched the Future Ready program</li> <li>Established the Future Ready Academy to train Suncorp's people in five key emerging capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Further develop our Future Ready Academy</li> <li>Build leadership capability by further developing our LEADing Others and LEADing Through Transformation programs</li> </ul>

#### DIVERSITY AND INCLUSION

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Ensure our workplace is inclusive and our workforce reflects the diversity of our community	<ul style="list-style-type: none"> <li>51% of all leaders are female</li> <li>44% of senior leaders are female</li> <li>38% of Board members are female</li> <li>11.1% of employees are aged 55 years or over</li> </ul>	<ul style="list-style-type: none"> <li>Implemented our Diversity &amp; Inclusion Plan</li> <li>Developed and published our Reconciliation Action Plan</li> <li>Developed an Indigenous Cultural Handbook</li> <li>Established employment pathways for culturally diverse and Aboriginal and Torres Strait Islander peoples</li> </ul>	<ul style="list-style-type: none"> <li>Refresh our Reconciliation Action Plan</li> <li>Review the cultural awareness training needs of our people</li> <li>Embed employment pathways for culturally diverse and Aboriginal and Torres Strait Islander peoples</li> </ul>

#### COMMUNITY INVESTMENT

OBJECTIVE	KEY PERFORMANCE METRICS	PERFORMANCE HIGHLIGHTS	FUTURE ACTIVITY
Build the financial, social and natural hazard resilience of our people and communities	<ul style="list-style-type: none"> <li>\$10.1 million invested in the community</li> <li>\$393,000<sup>1</sup> to support our people in the community</li> <li>13,840 hours volunteered by our people<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Developed a new Community Investment Strategy aligned to our most material social issues</li> <li>Relaunched our Brighter Futures employee giving program with focus on local community partnerships and broader employee participation</li> </ul>	<ul style="list-style-type: none"> <li>Enhance social impact measurement in our community partnerships</li> </ul>

1. Money and time that Suncorp employees have personally given that Suncorp has matched 2. Based on paid employee volunteer time

## CASE STUDY ABORIGINAL ARTIST JEREMY DONOVAN BRINGS CULTURE TO LIFE IN THE OFFICE

Suncorp engaged Aboriginal artist, musician and keynote speaker, Jeremy Donovan, to produce original artwork to celebrate and recognise the beginning of Suncorp's Reconciliation journey. The artwork was created on-site in Suncorp's Brisbane, Sydney and Melbourne offices, and was inspired by the many conversations Jeremy shared with our people. This was a unique way for Suncorp employees to build awareness and pride in our Reconciliation Action Plan.

"Jeremy was inspiring. Not only through his immense talent and incredible artwork, but his amazing ability to share his culture through his own personal story and music," Jasbir Mahal, Suncorp Advisor, said.

Jeremy Donovan is a Kuku-Yalanji (Western Yalanji) and Gumbayngirr Man from the First Nations of Far North Queensland and the mid-north coast of NSW. Jeremy is a respected member of the Indigenous community and is recognised as an influential voice and advocate for Indigenous education and employment.

"I really enjoyed getting to know and hear from all the people I met during my time at Suncorp. Our conversations not only inspired the artwork, they provided an opportunity for people to learn more about Aboriginal culture," Jeremy said.



Suncorp beginning its Reconciliation journey with the help of Aboriginal artist, Jeremy Donovan.

## CASE STUDY EMPLOYEE GIVING LOCAL COMMUNITY PARTNERSHIPS

As part of Suncorp's Brighter Futures employee giving program, New Zealand employees selected Shine and Grandparents Raising Grandchildren as their local charity partners.

Shine's mission is to stop domestic violence in New Zealand. The KIDshine program supports children by teaching them how to stay safe and helping them heal from domestic violence.

"We congratulate the team at Suncorp for joining us in helping to address domestic violence in New Zealand through its Brighter Futures program. We are thrilled and proud to be a Suncorp community partner," Holly Carrington, Shine Marketing Manager, said.

Every \$1,800 Suncorp employees raise provides intensive support to another child exposed to domestic violence.

Grandparents Raising Grandchildren supports grandparents who care for their grandchildren on a full-time basis.

"Every \$2,000 we raise for Grandparents Raising Grandchildren Trust NZ funds a carer workshop

that equips grandparents with practical strategies to promote the positive wellbeing of their grandchildren, as well as connections with other carers in their community who are experiencing similar challenges," Arna Neems, Brighter Futures Committee Member, said.



Suncorp New Zealand employees celebrating their new charity partnerships with Shine and Grandparents Raising Grandchildren.

# Performance summary

## SHAREHOLDER

PERFORMANCE		2018	2017	2016	2015	2014
Cash return on average shareholders' equity	(%)	8.0	8.4	8.2	8.9	9.4
Return on average shareholders' equity	(%)	7.7	7.9	7.8	8.5	5.3
Return on average total assets	(%)	1.08	1.11	1.08	1.19	0.77
Basic cash earnings per share	(cents)	85.20	89.30	85.18	93.14	102.01
Basic earnings per share	(cents)	82.17	83.84	81.19	88.61	57.11
Net profit after tax attributable to shareholders	(\$m)	1,059	1,075	1,038	1,133	730
General insurance gross written premium	(\$m)	9,559	9,456	9,031	8,872	8,870
Reported insurance trading result	(%)	12.1	11.8	9.9	11.4	15.5
Underlying insurance trading result	(%)	10.6	11.5	10.6	14.7	14.3
Bank total lending	(\$m)	58,716	55,324	54,280	51,918	49,956
Bank net interest margin	(%)	1.84	1.83	1.86	1.85	1.72
Bank cost to income ratio	(%)	54.7	52.7	52.5	53.4	57.4
Effective income tax rate	(%)	32.0	32.5	30.7	31.4	37.3

FINANCIAL STRENGTH		2018	2017	2016	2015	2014
Total assets	(\$m)	99,333	97,109	95,748	95,651	94,429
Net assets	(\$m)	13,973	13,790	13,570	13,518	13,799
Net tangible assets backing per share	(\$)	6.39	6.20	6.02	6.05	6.32
Group excess to common equity tier 1 capital target	(\$m)	448	377	346	570	831
General insurance group total capital ratio	(times PCA <sup>1</sup> )	1.84	1.77	1.67	1.86	2.16
Bank common equity tier 1 capital ratio	(% RWA <sup>2</sup> )	9.07	9.23	9.21	9.15	8.54

SHAREHOLDER SUMMARY		2018	2017	2016	2015	2014
Ordinary share price at end of year	(\$)	14.59	14.82	12.18	13.43	13.54
Number of ordinary shares at end of period	(million)	1,292	1,285	1,279	1,279	1,279
Ordinary dividend per ordinary share, fully franked	(cents)	73	73	68	76	75
Special dividend per ordinary share, fully franked	(cents)	8	-	-	12	30
Dividend payout ratio (excluding special dividend)	(%)	85.8	81.9	79.8	81.6	73.6
Dividend payout ratio (including special dividend)	(%)	95.2	81.9	79.8	94.5	103.0
Market capitalisation	(\$m)	18,945	19,158	15,671	17,279	17,421

## CUSTOMER

CUSTOMER SATISFACTION AND ADVOCACY		2018	2017	2016	2015	2014
Number of customers	(million)	9.6	Commenced disclosure in the current reporting period			
Customer satisfaction						
- Consumer Australia <sup>3,5</sup>	(%)	77	77	79	-	-
- Business Australia <sup>3,5</sup>	(%)	83	80	77	-	-
- New Zealand <sup>4</sup>	(%)	76	74	75	75	74
Net Promoter Score						
- Consumer Australia <sup>5</sup>		+7.3	+5.9	+6.2	-	-
- Business Australia <sup>5</sup>		+2.7	-0.6	-1.3	-	-
- New Zealand <sup>4</sup>		-1	-2	-	-	-

COMPLAINTS AND DISPUTE RESOLUTION		2018	2017	2016	2015	2014
Total customer complaints		131,856	Commenced disclosure in the current reporting period			
- Banking & Wealth Australia		14,324				
- Insurance Australia		113,210				
- New Zealand <sup>6</sup>		4,322				

		2018	2017	2016	2015	2014
Level 1 complaints resolved in 5 days <sup>7,8</sup>	(%)	92	Commenced disclosure in the current reporting period			
Level 2 complaints resolved in 21 days <sup>7,9</sup>	(%)	80				
Total complaints referred by customers to external dispute resolution bodies		3,380				
- Banking and Wealth Australia		349				
- Insurance Australia		3,011				
- New Zealand <sup>6</sup>		20				
Complaints referred by customers to the Privacy Commissioner <sup>7</sup>		12				

FINANCIAL INCLUSION AND RESILIENCE		2018	2017	2016	2015	2014
Customers assisted during times of financial hardship <sup>7</sup>		3,812	Commenced disclosure in the current reporting period			
Reviews completed by the Customer Advocate Office		15				
Essentials Insurance customers		1,855	1,055			
Everyday Super members with a balance		23,904				
Everyday Essentials bank account customers		9,606				

## PEOPLE<sup>10</sup>

EMPLOYEES		2018	2017	2016	2015	2014
Full-time equivalent (FTE)		13,309	13,374	13,441	13,843	13,738
Total employee headcount		13,815	Commenced disclosure in the current reporting period			
Full-time headcount		10,663				
Part-time headcount		2,524				
Casual headcount		41				
Maximum-term contractor headcount		587				
Employees covered by collective bargaining agreements <sup>7</sup>	(%)	99.6				

SAFETY AND WELLBEING		2018	2017	2016	2015	2014
Employee engagement <sup>11</sup>	(%)	-	62	Results history using previous methodology can be viewed in previous reports		
Employee-initiated turnover	(%)	14.4	12.1	13.0	12.6	12.2
Absenteeism rate <sup>12</sup>		7.6	Commenced disclosure in the current reporting period			
Lost-time injury frequency rate		0.9	1.6	1.8	2.0	3.2
Fatalities <sup>13</sup>		0	Commenced disclosure in the current reporting period			

DIVERSITY AND INCLUSION		2018	2017	2016	2015	2014
Women on the Board		38	Commenced disclosure in the current reporting period			
Women in senior leadership roles		44	43	38	37	36
Women in leadership roles		51	49	47	46	45
Return to work from parental leave		96	95 <sup>3</sup>	91	82	85
Employees that identify as having a disability <sup>11</sup>		-	2.3	-	2.1	2.2
Employees aged 55 years or over		11.1	10.6	10.7	10.3	10.0

LEARNING AND DEVELOPMENT		2018	2017	2016	2015	2014
Code of conduct training completion rate	(%)	99	Commenced disclosure in the current reporting period			
Formal learning and development	(\$/FTE)	1,947				

## COMMUNITY

COMMUNITY INVESTMENT		2018	2017	2016	2015	2014
Total community investment	(\$000)	10,109	9,835	8,866	7,619	7,010
Matched giving for employee fundraising	(\$000)	244	219	275	228	191
Volunteering <sup>14</sup>	(hours)	701	625	1,385	842	556
		13,840	Commenced disclosure in the current reporting period			

1. Prescribed Capital Amount. 2. Risk-weighted assets. 3. Restated to reflect transition to an improved methodology or updated data. 4. Asteron Life brand. 5. Source: DBM Consumer Atlas, 12-month rolling as at June 2018. 6. Excludes AAI. 7. Excludes New Zealand. 8. Handled by customer-facing teams. 9. Managed by Internal Customer Relations Team. 10. Excludes Suncorp Insurance Ventures. 11. Not available for the current period. 12. Unplanned absence days for permanent employees/average headcount. 13. Work-related fatalities excluding external contractors. 14. Based on paid employee volunteer time. 15. Based on emissions from paper consumption, waste generated in operations, business air travel, and fuel and energy related activities. 16. Strategic suppliers with spend > \$500K in the reporting period. 17. Where Suncorp holds a current, duly executed contract. 18. Excludes suppliers with payment terms beyond 30 days. 19. Excludes passive mandates and pooled vehicles where Suncorp is not the Responsible Entity. 20. Based on Global Investor Coalition definition.

1. Prescribed Capital Amount. 2. Risk-weighted assets. 3. Restated to reflect transition to an improved methodology or updated data. 4. Asteron Life brand. 5. Source: DBM Consumer Atlas, 12-month rolling as at June 2018. 6. Excludes AAI. 7. Excludes New Zealand. 8. Handled by customer-facing teams. 9. Managed by Internal Customer Relations Team. 10. Excludes Suncorp Insurance Ventures. 11. Not available for the current period. 12. Unplanned absence days for permanent employees/average headcount. 13. Work-related fatalities excluding external contractors. 14. Based on paid employee volunteer time. 15. Based on emissions from paper consumption, waste generated in operations, business air travel, and fuel and energy related activities. 16. Strategic suppliers with spend > \$500K in the reporting period. 17. Where Suncorp holds a current, duly executed contract. 18. Excludes suppliers with payment terms beyond 30 days. 19. Excludes passive mandates and pooled vehicles where Suncorp is not the Responsible Entity. 20. Based on Global Investor Coalition definition.

## ENVIRONMENT

ENVIRONMENTAL SUSTAINABILITY <sup>3</sup>	2018	2017	2016	2015	2014
Electricity consumption (KWh/FTE)					
- Australia	2,366	2,542	2,785	4,438	-
- New Zealand	1,769				
- Suncorp Insurance Ventures	8,197	Commenced disclosure in the current reporting period			
Total fuel usage (GJ/FTE)					
- Suncorp Insurance Ventures	39	Commenced disclosure in the current reporting period			
Fuel used in company vehicles (litres/FTE)					
- Australia	147	157	185	227	-
- New Zealand	238	Commenced disclosure in the current reporting period			
Air travel (km/FTE)					
- Australia	2,626	2,971	3,810	5,244	-
- New Zealand	2,585	Commenced disclosure in the current reporting period			
Paper used for print and offices (tonnes)					
- Australia	618	659	900	1,503	1,389
- New Zealand	6	Commenced disclosure in the current reporting period			
Proportion of office waste diverted from landfill (%)					
- Australia	51	51	60	54	50

GREENHOUSE GAS EMISSIONS	2018	2017	2016	2015	2014
Scope 1 greenhouse gas emissions (Co2-e tonnes)					
- Australia	4,235	4,519	5,306	5,926	6,311
- New Zealand	566	Commenced disclosure in the current reporting period			
- Suncorp Insurance Ventures	3,105	Commenced disclosure in the current reporting period			
Scope 2 greenhouse gas emissions (Co2-e tonnes)					
- Australia	23,741	25,480	28,378	43,343	47,194
- New Zealand	214	Commenced disclosure in the current reporting period			
- Suncorp Insurance Ventures	9,181	Commenced disclosure in the current reporting period			
Scope 3 greenhouse gas emissions <sup>15</sup> (Co2-e tonnes)					
- Australia	11,346	Commenced disclosure in the current reporting period			
- New Zealand	648	Commenced disclosure in the current reporting period			
Total greenhouse gas emissions (Co2-e tonnes)					
- Australia	39,322	Commenced disclosure in the current reporting period			
- New Zealand	1,428	Commenced disclosure in the current reporting period			
- Suncorp Insurance Ventures	12,286	Commenced disclosure in the current reporting period			

## OUR VALUE CHAIN

SUPPLIERS <sup>7,10</sup>	2018	2017	2016	2015	2014
Total spend with suppliers (includes claims) (\$m)	3,681				
Spend with material suppliers (includes claims) <sup>16</sup> (\$m)	3,062				
Number of material suppliers	760	Commenced disclosure in the current reporting period			
Number of contracted suppliers <sup>17</sup>	1,530	Commenced disclosure in the current reporting period			
Invoices paid within 30 days <sup>18</sup> (%)	93	Commenced disclosure in the current reporting period			

RESPONSIBLE INVESTMENT	2018	2017	2016	2015	2014
Responsible Investment Policy coverage <sup>19</sup> (% total AUM)	87				
Compliance with Responsible Investment Policy exclusions (# excluded positions held)	2				
Assets managed by UNPRI signatories (\$m excluded positions held)	1	Commenced disclosure in the current reporting period			
Social impact investment (% total AUM)	89				
Low carbon investment <sup>20</sup> (\$m)	1				
	36				

1. Prescribed Capital Amount. 2. Risk-weighted assets. 3. Restated to reflect transition to an improved methodology or updated data. 4. Asteron Life brand. 5. Source: DBM Consumer Atlas, 12-month rolling as at June 2018. 6. Excludes AAL. 7. Excludes New Zealand. 8. Handled by customer-facing teams. 9. Managed by Internal Customer Relations Team. 10. Excludes Suncorp Insurance Ventures. 11. Not available for the current period. 12. Unplanned absence days for permanent employees/average headcount. 13. Work-related fatalities excluding external contractors. 14. Based on paid employee volunteer time. 15. Based on emissions from paper consumption, waste generated in operations, business air travel, and fuel and energy related activities. 16. Strategic suppliers with spend > \$500K in the reporting period. 17. Where Suncorp holds a current, duly executed contract. 18. Excludes suppliers with payment terms beyond 30 days. 19. Excludes passive mandates and pooled vehicles where Suncorp is not the Responsible Entity. 20. Based on Global Investor Coalition definition.

## Awards



Money magazine Bank of the Year 2018  
Money magazine Business Bank of the Year 2018



Cannes Lions International Festival of Creativity Silver Award Winner 2017 - AAMI SmartPlates



ANZIIF Australian Insurance Industry Awards Innovation of the Year 2017 - Suncorp Cyclone Resilience Benefit



Best Finance IT Project 2018 - IBM Watson AI



Australian LGBTI Inclusion Awards 2018 Bronze Employer

## Financial calendar and key dividend dates

15 AUGUST 2018	Ex-dividend date for final dividend
16 AUGUST 2018	Record date for final dividend
19 SEPTEMBER 2018	Payment date for final dividend
20 SEPTEMBER 2018	Annual General Meeting, 2.30pm, Sofitel Brisbane Central, 249 Turbot Street, Brisbane
14 FEBRUARY 2019	Half-year results announcement
20 FEBRUARY 2019	Ex-dividend date for interim ordinary dividend
21 FEBRUARY 2019	Record date for interim ordinary dividend
2 APRIL 2019	Payment date for interim ordinary dividend

The financial calendar may be updated from time to time throughout the year. Please refer to [suncorpgroup.com.au](http://suncorpgroup.com.au) for up-to-date details. Dates for dividends may be subject to change.

### SUNCORP GROUP LIMITED

ABN 66 145 290 124  
Registered office  
Level 28, 266 George Street  
Brisbane, Qld Australia 4000  
+61 7 3135 2901

### DISCLAIMER

This report contains general information which is current as at 9 August 2018. It is information given in summary form and does not purport to be complete.

It is not a recommendation or advice in relation to the Group or any product or service offered by Suncorp or any of its subsidiaries. It is not intended to be relied upon as advice to investors or potential investors, and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent that information in this Review may constitute a forward-looking statement, the information reflects the Group's views at the date of this Review and is subject to known and unknown risks and uncertainties, many of which are beyond the Group's control, which may cause actual results to differ materially from those expressed or implied. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Review.

References, unless otherwise stated:

- are as at 30 June 2018
- to changes (including an increase or decrease) relate to the previous year
- to dollar amounts are in Australian dollars
- to the 'Company' are to Suncorp Group Limited
- to 'Suncorp', 'Suncorp Group' or the 'Group' are to Suncorp Group Limited and its controlled entities.

Products and services including banking, superannuation and insurance (including life insurance, home and car insurance) are provided by separate companies in the Suncorp Group. Suncorp Bank (Suncorp-Metway Limited ABN 66 010 831 722) is only liable for the banking products or services it provides and not the products and services of other companies in the Suncorp Group.

Note: This 2017-18 Annual Review is not a 'concise report' prepared under section 314(2) of the *Corporations Act 2001*. Though not specifically audited, it contains figures, financial summaries and information derived from the Company's 2017-18 Directors' Report and Financial Statements and full year results announcement. For a more complete understanding of the financial performance, financial position, and operating and investment activities of Suncorp Group, please refer to the statutory 2017-18 Directors' Report and Financial Statements available from [suncorpgroup.com.au/investors/reports](http://suncorpgroup.com.au/investors/reports)

To see more, go online  
*[suncorpgroup.com.au](http://suncorpgroup.com.au)*

---

**Registered office**

Suncorp Group Limited  
Level 28, 266 George Street  
Brisbane, Qld Australia 4000  
+61 7 3135 2901

**Shareholder enquiries**

[suncorp@linkmarketservices.com.au](mailto:suncorp@linkmarketservices.com.au)  
1300 882 012 (inside Australia)  
+61 2 8767 1219 (outside Australia)

**Investors**

[investor.relations@suncorp.com.au](mailto:investor.relations@suncorp.com.au)

**Corporate Responsibility**

[responsible@suncorp.com.au](mailto:responsible@suncorp.com.au)

**General product enquiries**

13 11 55

**Connect**

 [suncorpgroup.com.au](http://suncorpgroup.com.au)

 @SuncorpGroup

